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CANADA

House of Commons Debates

OFFICIAL REPORT

Friday, May 3, 1946.

The house met at three o'clock.

THE LATE WALLACE REGINALD McDONALD

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, members of all parties in the house were I am sure much pained to learn last night of the passing yesterday afternoon of one of our number, Mr. Wallace R. McDonald, who for over ten years past has represented the constituency of Pontiac in this House of Commons.

Those of us who sit on this side and with whom Mr. McDonald was more closely associated were aware that he had been suffering a severe illness, but only a week or two ago, on telephoning the hospital to inquire as to his condition I learned that he had returned to his home. It appears that the strain of his illness had been too great. He evidently left the hospital with the desire of ending his days amid familiar scenes and surrounded by those whom he most loved.

Mr. McDonald was in his 70th year. Like several members of the parliament of Canada, he received his early education at the University of Ottawa in this city. He spent the early part of his life developing a profitable business in the county of Pontiac as a general merchant, and later on when engaged also in lumbering operations he was able so to establish his business as to give himself a solid foundation for public life.

What will most be remembered of Mr. McDonald, and it is an honourable record indeed, is the fact that his life for the greater part was devoted to public service, and public service given in a wholehearted and generous way in ever widening fields of influence. He began by serving as mayor of Chapeau, the community in which he lived, and subsequently became warden of Pontiac county. He then went into provincial politics and was a member of the Quebec legislature from 1919 to 1935, having contested successfully altogether some four provincial elections. He then was elected to this house in 1935, and was re-elected in 1940 and 1945.

We who knew him here over the years will recall that he was one of the most faithful of the members of the house in his attendance on its proceedings. He was most active in the work of its committees and on frequent occasions participated actively in the debates. When he did so, and on the platform where he was most effective, he was equally fluent in either of the official languages. He was essentially of a modest and retiring disposition and for that reason did not take as prominent a part as his talents, wide reading and sound judgment entitled him to take. He will be deeply missed in the constituency he served so well, in his native province, and indeed as one who was a true representative of all Canada. Especially will his loss be felt by those of us who have been with him in this parliament for some few years past.

If I were asked what were Mr. McDonald's outstanding qualities I would say that they were his fine personal integrity, his great moderation, his broad tolerance, and above all else his unswerving loyalty to his friends, to his party, its principles and its policies, and may I add to its leader. I do not believe that among the members of the house I had a truer supporter, and a more loyal and constant friend than I had in our late member. As a member of the Liberal party, he was strong in his advocacy of liberal ideas and ideals. He was fearless in expressing his views, and he believed strictly in cooperation with his fellow members. He realized that it is only through cooperation with others of like aims that any principle or policy can be made to prevail, and that it was as a member of a political party, no less than as an individual, that he owed his success in public life.

I can only say that irrespective of the party to which we belong, all of us who had the privilege of knowing Mr. McDonald will always cherish a memory of him as a man, and a trusted public servant that is of the highest and best.

Mr. Speaker, Mr. McDonald has left to mourn his loss a widow and a large number of members of his family. I am sure it will be the wish of every member of this house that you would express on behalf of the House of Commons to Mrs. McDonald the deep

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sympathy which we have for her and for the members of her family in their great bereavement.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, it was not my privilege to have more than a passing acquaintance with the hon. member whose decease we mourn, but all of my colleagues who had come to know him well held him in high regard. One of the satisfying things in public life, and I have noticed it quite as much in the House of Commons as in any previous legislative body with which I have been associated, is that while we may have differences of opinion on public questions we still maintain our respect for those whose views we do not always share. Speaking for the members of this group as well as for myself we desire to be associated with the Prime Minister and other hon. members in the expression of sympathy to those who have been bereaved.

Mr. M. J. COLDWELL (Rosetown-Biggar): This is one of those sad occasions on which members of the house join together in mourning the loss of one of their colleagues; and we too of this group wish to extend our deepest sympathy to those whom the late W. R. McDonald has left behind him. I came here in 1935, the year in which Mr. McDonald also became a member. I have had contact with him throughout these years as a member of the house and its committees, and I was always impressed by his friendliness and his courtesy and kindliness. Although our views differed from his, he commanded our respect, and we sincerely mourn his passing.

Mr. SOLON LOW (Peace River): It was not my good fortune to know personally the deceased hon. member for Pontiac, but those of my party who did know him have expressed themselves as happy in their association with him as recognizing in him a man of public service who was always ready to face realities honestly. We pay respect to his memory, and we join with the other hon. members in mourning his loss and extending to his family our deepest sympathy.

Hon. ALPHONSE FOURNIER (Minister of Public Works) (Translation): Mr. Speaker, for more than twenty-five years Mr. McDonald was a close friend of mine. I became acquainted with him when he was a member of the Chapeau school board and I was a school inspector. We therefore cooperated in increasing the efficiency of teaching in his district. Later, we became assocated in the campaigns of the party we were representing in the western part of the province.

The distinctive qualities of Mr. McDonald were his straightforwardness and his sincerity of purpose. No one will leave, in that part of the province of Quebec, a greater reputation of honesty in public life. The late lamented member always showed a thorough understanding of the needs of the people and his greatest desire was to help those who had few opportunities in life.

It is with a feeling of deep grief that we bow to-day before the grave of a man whose loss we sincerely lament and whom we shall never forget.

(Text):

Mr. DANIEL McIVOR (Fort William): I should like to join with others in paying my tribute to the one we knew as "Wally" McDonald, because I was Protestant, he was Roman Catholic; because after coming to this house we were close neighbours; because we agreed on the essentials of the Christian life. I found that he had little patience with those who would raise religious or race prejudice. Time and again when we discussed the question of religion we were at one in the view that if we Protestants and Roman Catholic but agreed on the great essentials there would be a far greater approach to unity in Canada. He also assured me that the closer we all get to Him who is the source of truth the closer we shall get to each other. I would pay my tribute to him as a Christian. As he also told me, we grow like our parents, and very much depends on who our parents or our early guardians were as to which branch of the church gets us into the kingdom of heaven. I am sure we think to-day of Wally McDonald not as dead but as living, because he placed his trust in Him who can keep him alive.

PRIVILEGE

LABOUR RELATIONS—REFERENCE TO SPEECH OF MR. COLDWELL IN TORONTO

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I rise to a question of privilege. I notice that my hon. friend the leader of the Cooperative Commonwealth Federation, in addressing a large audience at Toronto last evening, was taking a shot in a number of directions—

Mr. COLDWELL: Several shots.

Mr. MACKENZIE KING: Among these, my hon. friend made a statement which I think, if not corrected by him, ought to be exposed, and I would therefore draw the attention of the house to what he said. Speaking of the recent meeting with the government of a delegation of the Canadian Congress of Labour my hon. friend said:

At a recent meeting between Prime Minister Mackenzie King and his cabinet and representatives of the Canadian Congress of Labour, the Prime Minister and the cabinet—

And these words are in quotation marks:

—walked out on delegates representing some 300,000 Canadian workers and their families.

If that is a correct quotation, may I say to my hon. friend that the statement itself is not correct. The last thing that was done was to walk out on the delegation. Statements were made in the representations of the delegation which I felt were untrue and the representations themselves were not expressed in the manner in which they should have been expressed, and which for this reason I thought were doing harm to the cause of labour itself. I therefore spoke plainly to the delegation on these particular aspects of their representations. But may I say to my hon. friend that after I had concluded speaking I and my colleagues waited until the secretary of the delegation, who wished to have the last word, made quite a lengthy reply, and then, bowing in a cordial manner to all present, I and my colleagues left the gathering. I hope my hon. friend will not try to create the impression that some 300,000 Canadian workers and their families were offended by my action in speaking in a kindly and fatherly way to that particular group.

RADIO BROADCASTING

POLICY RESPECTING OWNERSHIP OF RADIO STATIONS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I wish to direct a question to the Minister of Reconstruction. Press reports indicate that the Canadian Broadcasting Corporation is about to take over two radio stations owned by the Manitoba government. If this be so, in view of the refusal of the Canadian Broadcasting Corporation to issue a licence to the Saskatchewan government for a radio station, what change if any has taken place in the Canadian Broadcasting Corporation's policy in regard to ownership of radios, and for what reason?

Hon. C. D. HOWE (Minister of Reconstruction): This question relates to broadcasting policy and should more properly be answered by the Minister of National Revenue. However, I can say the government has decided that, since broadcasting is the sole responsibility of the dominion government, broadcasting licences shall not be issued to other governments or corporations owned by other governments. In regard to the two stations in Manitoba, discussions are taking place with the government of that province which we hope will lead to the purchase of these two stations by the dominion government.

CANADIAN CITIZENSHIP

NATIONALITY, NATURALIZATION AND STATUS OF ALIENS

The house resumed from Thursday, May 2, consideration in committee of bill No. 7, respecting citizenship, nationality, and naturalization and status of aliens—Mr. Martin—Mr. Golding in the chair.

The ACTING CHAIRMAN (Mr. Golding): The committee was considering section 21. Shall the section carry?

Section agreed to.

Section 22 agreed to.

On section 23—Citizenship of spouse or minor children.

Mr. FLEMING: In line 31, subsection 2, the power conferred on the governor in council is purely enabling. Is there any reason why the section should not be made mandatory instead of enabling or permissive?

Mr. MARTIN: There is no change in substance in this section and it is thought, in view of the experience we have had in the department, and the practice of other countries, that this is the best way to leave the matter.

Mr. GREEN: If this section passes what will the law be in regard to minor children? If the father loses Canadian citizenship, will the minor children also lose theirs? There seems to be some uncertainty in the wording of the section.

Mr. MARTIN: It is a question of discretion. There is a distinction, as regards the position of the wife or children, in cases where a second nationality is acquired and cases of automatic loss or revocation. Greater consideration is given in the latter case because there is a greater possibility that the child may not acquire any other nationality. Also, revocation and loss are in the form of punishment which should not be automatically visited upon the children, whereas a deliberate change of nationality is now in the nature of a voluntary transfer of allegiance.

Section agreed to.

Section 24 agreed to.

On section 25—Saving of obligations incurred before loss of citizenship.

Mr. DIEFENBAKER: What is the purport of section 25, and what particular circumstances does it contemplate?

Mr. MARTIN: It would cover the case where a person commits treason. He does not thereby become discharged from any obligation, duty or liability in respect of anything done or omitted before he ceased to be a Canadian subject. It means exactly what it says. Mere loss does not interfere with other obligations he may have incurred.

Section agreed to.

On section 26—Canadian citizen a British subject.

Mr. STEWART (Winnipeg North): I should like to refer to a news item which appeared in the Montreal *Gazette* of April 6 having reference to the second reading in the British House of Commons of a bill with respect to British nationals. The article refers to this measure as the surrender of a small measure of sovereignty to the world peace organization. I quote:

> The bill, which Philip Noel-Baker, minister of state, characterized as a modest step toward "effective machinery to stop aggression," empowers the government to impose on British subjects the duty of abiding by the rulings of the council involving severance of diplomatic and economic relations with other countries.
>
> The measure thus gives effect to provisions of Article 41 of the charter signed by Britain which reads:
>
> "The security council may decide what measures, not involving the use of armed forces, are to be employed to give effect to its decisions and it may call upon members of the united nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio and other means of communications and severance of diplomatic relations."

We have arrogated to ourselves the right to decide who shall or shall not be British subjects, and I should like to know first of all whether this new British legislation affects us under section 26 of this bill.

Mr. MARTIN: The answer is no.

Mr. STEWART (Winnipeg North): Then that is settled. I do not know, however, whether this country has the right to state who shall be a British subject. I am not a constitutional lawyer, but I think we would have the right to decide as regards citizens in Canada only. I should like to know what the status of these citizens would be when they left Canada for a holiday or for business or for any other reason. Would they still be called British subjects? I doubt very much whether this government could legislate in that regard. In other words, I think the clause is ultra vires of the House of Commons, and so I intend to offer an amendment.

[Mr. Diefenbaker.]

Mr. MARTIN: At the imperial conference of 1930 it was agreed that each dominion should have the right to do the very thing that we have done here.

Mr. STEWART (Winnipeg North): We have the right to do that?

Mr. MARTIN: No doubt about it.

Mr. STEWART (Winnipeg North): Even so, I wish to move that section 26 be amended by striking out the words "British subject" and substituting therefor the words "subject of His Majesty as the sovereign of Canada." I do not wish to imply thereby that we are in any sense a nation inferior or subservient to the United Kingdom. Of course we are not; I do not think there is very much of the tinge of colonialism left in Canada as a whole. Nevertheless this would give stronger recognition to a fact which we have ourselves admitted for some time, that the king is indeed the king of Canada. In the past it has been agreed that in matters relating to the dominion the king acts separately for Canada. Indeed it was a Canadian order in council which gave consent, so far as we in Canada were concerned, to the British abdication act. Afterwards a special Canadian act was passed validating the change of succession, pointing out that we were dealing with the king as king in Canada. Most significant of all is that when we declared war in our own right on September 10, we did it by sending to the king of Canada a telegram containing the order in council and the king of Canada proclaimed that a state of war existed. Because of that I see no reason why we cannot recognize that fact in this bill. Therefore I strongly suggest to the committee that it accept the proposed amendment.

Mr. REID: If this amendment is carried, how will it affect the status of persons coming to this country from Great Britain as British subjects?

Mr. STEWART (Winnipeg North): They would still be British subjects. It would not affect them one iota.

Mr. MacINNIS: It seems to me that when we are discussing the status of British subject we are unduly restricting the meaning of the term. As a Canadian citizen I am a British subject. If this bill is passed I hope I shall in no way be subservient to Great Britain. I believe that this bill implies that I as a Canadian citizen would have British subject rights not only in Canada but also in every other part of the British commonwealth, which is what is implied in the term "British sub-

ject." If that is so I do not see why we should limit our own rights in other parts of the British commonwealth, as I am inclined to think we should do if the bill were amended in the way suggested. I am not sure, but that is the way it appears to me.

Mr. COLDWELL: I should like to ask the minister if there is the limitation that the hon. member for Vancouver East suggests. Is it not a fact that we are all subects of His Majesty the King, and that under the statute of Westminster and the development of our constitutional position the king is regarded as the king of the United Kingdom, a person; the king of Canada, a person; the king of South Africa, a person, and so on. In other words, there is a divisibility of the crown in that respect; but in the commonwealth we are all subjects of a common king. Therefore when we receive a passport, for example, it is His Majesty or his representative in Canada who prays another country or another government that we may be afforded all the privileges which the possession of such a passport gives to the holder of it. We have not the right, if I may put it that way, to say who shall be a British subject, but we have the right to say who shall be a subject of His Majesty the King, who is also king of the United Kingdom and of other parts of the British commonwealth. I am not wedded to any particular phraseology; none of us is. But I should like to see this bill worded in such a way as to indicate clearly the position which Canada occupies among the nations of the world, and the exact relationship that a Canadian citizen has to His Majesty the King. It seems to me that the phraseology suggested by the hon. member for Winnipeg North takes nothing from us as British subjects, takes nothing from us as subjects of His Majesty the King who is the common sovereign of all the people of all the nations of the British commonwealth, but on the other hand does confer something, because it confers upon a Canadian citizen the right of citizenship, and expresses his exact relationship to His Majesty the King and to the commonwealth of which the king is the common head.

Mr. HANSELL: If the hon. member for Rosetown-Biggar is correct in his interpretation, then I suggest to the hon. member for Winnipeg North that he leave section 26 as it is and insert another section 27 and move the others on. I suggest that his amendment become section 27, which will read:

A Canadian citizen is a subject of His Majesty as the sovereign of Canada.

Does my suggestion meet with his approval? Does he want the term "British subject" cut out?

Mr. PINARD: I think there is another way—

Mr. HANSELL: The hon. member should answer my question. If it is all right, go ahead.

Mr. PINARD: There is another way to solve the problem, namely, by giving a definition in this bill to a British subject. I have already on second reading of this bill given the reason why I cannot accept the principle contained in this section. I said then that this provision should be changed because we do not find anywhere in our statutes a definition of a British subject. It is true that we still have that definition contained in subsection (i) of section 2 of the Naturalization Act; but this act is to be repealed by section 45 of the bill, and with it the only definition we ever possessed of a British subject will disappear from our statutes. Moreover, that definition of a British subject was introduced in our legislation in 1914, when we adopted the Naturalization Act. Such a definition could not be accepted to-day in Canada because it is not in accordance with our evolution and the progress we have made as a nation.

If that definition as it is were incorporated of the imperial conferences and the statute ignore the rights we have acquired as a result in the present citizenship bill it would simply of Westminster. It would be a definition which would render our legislation on citizenship retrogressive. Here is the definition in the Naturalization Act. It is contained in subsection (d):

"British subject" means a person who is a natural born British subject, or a person to whom a certificate of naturalization has been granted; or a person who has become a subject of His Majesty by reason of any annexation of territory.

We cannot be satisfied to-day with such an incomplete definition. I do not think that it is within the power of this parliament to define a British subject unless we define a British subject in Canada. Such definition could have been included in section 2 of this bill, and if this had been done I would have had no objection to section 26 as it is now drafted. Here is the way in which a British subject in Canada could have been defined for the purposes of this measure: "In this act, unless the context otherwise requires, a British subject means a subject of His Majesty in the right of Canada." In view of the fact, however, that in the present bill we have not been given any definition of a British subject and since our statutes do not

contain any such definition, I feel I must oppose section 26 as it now reads, because it seems to me illogical, useless, and, as was said before, ultra vires. This section should disappear or should be modified, as already suggested by the hon. member for Winnipeg North, and for this reason I will support his amendment.

Mr. BELZILE: I wish to support the amendment presented by the hon. member for Winnipeg North. Firstly: It is to conform to every document pertaining to the constitution of this country. I have tried very hard to find in the constitutional acts of Canada any reference to the words "British subject" and I must say I have not been able to do so. I do not mean that my search was necessarily complete, but I found that such a person as a British subject did not exist before 1914. As a matter of fact the very first reference to the status of a subject in Canada was made in the capitulation of Montreal in 1760. All my references to the documents concerning the Canadian constitution are from the work by Mr. W. P. M. Kennedy, published by the Oxford Press in 1928. Here is what I find in article XLI of the capitulation of Montreal. The Marquis de Vaudreuil asked that: "The French, Canadians and Acadians, of what state soever, who shall remain in the colony, shall not be forced to take arms against His Most Christian Majesty, or his allies, directly or indirectly, on any occasion whatsoever; the British government shall only require of them an exact neutrality."

In reply to that request, General Murray said: "They become subjects of the king." This is the first mention in a very long series of texts in the same terms. In article IV of the Treaty of Paris in February, 1763, which appears at page 15 of the volume already mentioned, I find this:

> Moreover, His Most Christian Majesty cedes and guarantees to his said Britannic Majesty, in full right, Canada, with all its dependencies . . . and all rights acquired by treaty, . . . over the said countries, lands, islands, places, coasts, and their inhabitants . . . His Britannic Majesty on his side agrees to grant the liberty of the Catholic religion to the inhabitants of Canada: he will, in consequence, give the most precise and most effectual orders, that his new Roman Catholic subjects may profess the worship of their religion . . .

and so on. Later, on October 7, 1763, in the royal proclamation delivered to the inhabitants of Canada, I find this, appearing at page 19 of this volume:

> And whereas it will greatly contribute to the speedy settling our said new government, that our loving subjects should be informed of our paternal care . . .

Then in the ordinance establishing civil courts, in 1764, here is what is said:

> Whereas it is highly expedient and necessary, for the well governing of His Majesty's good subjects of the province of Quebec . . .

In a judgment rendered in the case of Campbell v. Hall, on November 20, 1774, Lord Mansfield stated the status in the following manner:

> 1. A country conquered by the British arms becomes a dominion of the king in the right of his crown, and therefore necessarily subject to the legislative power of the parliament of Great Britain.
>
> 2. The conquered inhabitants once received into the conqueror's protection become subjects, and are universally to be considered in that light, not as enemies or aliens.
>
> 3. Articles of capitulation, upon which the country is surrendered, and treaties of peace by which it is ceded, are sacred and inviolate, according to their true intent and meaning.

So it was right after the cession. In the Quebec act of 1774 I find another mention in Article V:

> And, for the more perfect security . . . it is hereby declared that His Majesty's subjects . . .

There is the word again; and in Article VIII:

> . . . all His Majesty's Canadian subjects, within the province of Quebec . . .

In the instructions to Carleton by the king in 1775 I find this; that he should proceed to the establishment of courts, and so on—

> . . . that our Canadian subjects should have the benefit and use of their own laws . . .

I come now to the constitutional act of 1791, which is at page 208 of this volume, referring to the constitution of the legislative council, and here is what it says:

> Provided always . . . that no person shall be summoned . . . who shall not be of the full age of twenty-one years, and a natural born subject of His Majesty, or a subject of His Majesty naturalized by act of the British parliament, or a subject of His Majesty having become such by the conquest and cession of the province of Canada.

So the words "subject of His Majesty" come up again. Then in the union act of 1840, which is at page 538 of the volume, dealing with the qualifications of legislative councillors, I find this:

> Provided always that no person shall be summoned to the said legislative council . . . who shall not be of the full age of twenty-one years, and a natural born subject of Her Majesty, or a subject of Her Majesty naturalized by act of the parliament of Great Britain, or by act of the parliament of the United Kingdom of Great Britain and Ireland, or by an act of the legislature of either of the provinces of Upper or Lower Canada, or by an act of the legislature of the province of Canada.

Last, but not least, comes the British North America Act. There is no special definition, of course, of "British subject" in that act. But looking at the qualifications for a senator, I find that a senator shall be a natural-born subject of the queen, or a subject of the

queen naturalized by act of parliament of Great Britain, or the parliament of the United Kingdom of Great Britain and Ireland, and so on. So I can say there is no reference to "British subject" in any of the acts which have gone to form a constitution of Canada.

Secondly: It gives a clear definition of Canadian citizenship. After listening to the many speeches delivered by hon. members since the beginning of this discussion, I came to the conclusion that many of the members were not speaking of exactly the same thing when they referred to a British subject. For instance, the hon. member for Vancouver South, as reported at page 615 of *Hansard*, spoke of "commonwealth citizenship". Then the hon. member for Broadview, as reported at page 599 of *Hansard* said:

> I am a Canadian, but I also am a British subject. They are both the same and always have been.

The same hon. member at page 600:

> We all owe allegiance to one sovereign and one empire.

That means empire citizenship. Later the hon. member for Kamloops is reported in this way at page 625 of *Hansard*, when he referred to what he considered a misconception of what is involved in the expression "British subject":

> Being a British subject . . . means nothing more or less than being a citizen of the British empire.

And at page 626 he adds:

> It simply means that we have all the advantages of citizenship in a larger and more widespread organization as well. We are citizens of Canada, subjects of His Majesty, and we are citizens of the British commonwealth.

And I could agree with that opinion.

And again at page 628:

> At present we have an empire citizenship.

So after speaking about British commonwealth citizenship he returns to empire citizenship.

A third expression of opinion makes reference to "our kith and kin", the exponents of which obviously have in mind the inhabitants of the British isles, and their racial descendants, and no other species of the king's subjects whatsoever. It is the type of reference mentioned in *Saturday Night* of April 20. A fourth kind of citizenship was made abundantly clear to me during the debate on the Japanese problem, and the deportation of Canadian citizens of Japanese descent.

Mr. GREEN: May I ask a question? Does the hon. member not think that in addition to a Canadian citizenship there is some value in having a commonwealth citizenship?

Mr. BELZILE: Of course. I have just said I could agree with the hon. member for Kamloops when he said that we are citizens of Canada, subjects of His Majesty and citizens of the British commonwealth. But as we cannot get the real meaning of the words "British subject", which are not defined in the act, I do not agree with anybody, yet. I think we must first have a complete definition of all the advantages and obligations entailed in that status.

It is a well established principle in all British institutions that there should be no rights without corresponding obligations, no privileges without equal duties, and no advantages without equal ties. Canada as a nation has always refused to recognize any imperial ties, any commonwealth obligations, and this has been confirmed by the statute of Westminster. I am afraid that the retention of the status of "British subject" might impose certain obligations with respect to the commonwealth, and form certain ties with the empire. I humbly submit that our only obligation should be an allegiance to the crown. For these reasons I shall support the amendment.

Mr. STEWART (Winnipeg North): May I answer the hon. member for Macleod? I am as jealous as anyone of the status of "British subject", but I do not think my amendment takes away from that position. Rather it adds to it, in the sense that, as well as British subjects, we shall be subjects of His Majesty as the King of Canada. And if the minister's contention is correct, namely that section 26 is intra vires of the parliament of Canada, then I should be quite willing to have my amendment moved as a new section.

Mr. MICHAUD: I rise to support this amendment, which meets with my entire approval. I thought of it myself before discussing the matter with the hon. member for Winnipeg North.

To my mind the term "British subject" is somewhat misleading. It is true that many hon. members, including the Secretary of State, take the view that it simply means "subject of His Majesty". My knowledge of constitutional law is so limited that I would not dare disagree with my friend of the bar. On the other hand for the man on the street the term 'British subject" means a subject of Great Britain, just as surely the term Italian means a subject of Italy, and the term Belgian a subject of Belgium. I dare say that the mass of Canadians, and particularly those who are not of Anglo-Saxon stock, take the view that a British subject means a subject

of Great Britain. The fact that this view was challenged in the house by the Secretary of State and the hon. member for Eglinton establishes conclusively that the interpretation of the man on the street must be held by a number of people. The fact that another interpretation has been given by those hon. members will not, I feel, affect public thinking very materially.

Why not, then, when this bill it before the committee, take advantage of the opportunity to clear up any possible misunderstanding? If the term "British subject" means simply a subject of His Majesty the King, what possible injury can there be to stating it clearly? Why not call a spade a spade?

I am not going to attempt to make a legal argument at this time. After the rebuke the legal profession got yesterday from the hon. member for Cape Breton South, and in the other place from the premier of Prince Edward Island, one would be well advised to tread other ground. I am going to follow another line of reasoning which I hope will appeal to hon. members.

My two boys, aged five and seven, are proud to wear suits made from my old clothes. I presume most boys who are not too sophisticated feel the same way about this time-honoured custom. I anticipate however that before many years they will take the view that they are too old to be subject to such practice, and no doubt they will suggest that the old clothes be used by the younger brothers. Whether or not the other countries of the commonwealth have grown enough to wear new clothes of their own is for them, and them alone, to decide. Personally, I feel that this country is old enough and has sufficiently proved its maturity during two wars to justify its position and insist on wearing distinctive garments in the matter of a distinctive Canadian citizenship and a thoroughly distinctive Canadian flag. Just as the father, whose grown up son wants to wear new clothes, will admit the fairness of his son's request, and refuse to interpret his action as a decrease of filial love, in like manner Great Britain, I am sure, does and will recognize the reasonableness of our point of view as a young nation and refuse to interpret our gesture as irreverential.

I have always understood that the Anglo-Saxon people are practical business men, possibly the shrewdest in the world. Those of my cultural group are considered more sentimental. I do not mean that the Anglo-Saxons are not emotional, and that the French have no business acumen. The fact remains, however, that Great Britain understands particularly well the language of dollars and cents, and judging by what we did for ourselves during the last session, even members of parliament understand the language of dollars and cents. All this, Mr. Chairman, leads to the point which I wish to make, in all earnestness, seriousness and good faith, namely, that Great Britain is much more vitally concerned about the loans from Canada and the United States, and quite correctly so, than about nationalist bills of small consequence, as referred to by the Ottawa *Journal*. Assuming that we adopt this amendment, and adopt a truly distinctive flag, and make the loan of one billion and a quarter dollars to Great Britain, the sum total, in my opinion, will be a considerable strengthening of our ties to Great Britain, and this will prevail for the next fifty-five years whether we want it or not. I do not believe that there is anybody in this house, even among the young ultra-nationalists, who does not wish the fullest measure of cooperation with Great Britain, and the other really democratic countries of the world.

May I avail myself of this opportunity, Mr. Chairman, to make an appeal to those who seem unduly concerned about the nature of our relationship with Great Britain and other countries of the commonwealth?

Shortly after parliament convened in March an hon. member of the group opposite, for whom I have a great deal of consideration but who is particularly concerned about the fate of Great Britain, asked me what would be the attitude of the Quebec members on the loan to Great Britain. When I assured him that not more than five or six members would oppose the measure from this side of the house, he appeared to be greatly relieved and personally, I was pleased to have so easily allayed his fears. I mention this incident *en passant* to point out that very often some members opposite—probably as a result of reading a press that is not always too sympathetic—get unduly concerned about the attitude of Quebec. I feel that I know that province far better than hon. gentlemen opposite, and I wish to assure them that they need fear nothing sinister on the part of Quebec.

In the course of the present and past session numerous appeals have come, mostly from the Progressive Conservative members, urging a greater degree of national unity in this country. It was apparent to me that those appeals were directed mostly to the Quebec people through their duly elected representatives in this house. A foreigner listening to such appeals might very easily come to the conclusion that this country is handicapped by a very serious lack of national unity, particularly

along cultural lines—and I use the word "cultural" purposely. There is hardly any difference between the members of this house over racial matters; our differences are mostly cultural.

Frankly, I do not believe this country is more divided along any line of thought than any other country in the world. At the same time, one must admit there are a number of matters of national interest about which there exists a wide divergence of views. We have an example of that right in the senate to-day. There is also a great divergence of opinion, for instance, on the amount of controls we should retain in this post-war period; on the attitude of the government towards labour and labour relations; on monetary policies; on the extent of government interference with private enterprise; on external affairs; on the extent to which we should assert our sovereignty.

On all but the last mentioned of these matters on which public opinion is divided, the cleavage is definitely not along cultural lines. On this latter issue, however, it would seem that my compatriots of French descent, together with members of the C.C.F. party, are prepared to go somewhat farther than most of the Progressive Conservatives and the Social Crediters. Every time the so-called ultra-nationalist group take a stand towards a more distinctive Canadian attitude on public matters, there are some members of the house who take the view that somebody is endeavouring to weaken our ties with Great Britain and the other countries of the commonwealth. This talk of weakening our ties with the countries of the commonwealth does not come from this side of the house, and for that reason one may be justified in wondering which group is more likely to contribute to the weakening of the ties. Frankly I feel that if those gentlemen were to remain silent on this matter they would help their own cause a good deal more. There is nothing more likely to create doubt in a person's mind than to be constantly talking about the problems which constitute the subject of such doubts.

During the short time in which I have been in this house it has struck me whenever a measure such as the one now before the committee happens to meet with the approval of the Quebec members, some hon. members opposite come to the conclusion that there must be some sinister design behind it and that it should be systematically opposed. I hope that my hon. friends opposite will recognize that there was no sinister anti-British design in the minds of my Quebec ancestors when they refused to listen to Lafayette, Franklin, and others at the time of the American revolution; that there was no sinister design in their minds when they defended this country against the Americans during the war of 1812-14. Which group was trying to weaken the ties, and where were the sinister designs, when in 1849 a move was made for annexation of this country to the United States? I shall not take up time by giving the quotation I had intended to give at this point.

If I refer to those historical facts it is not with the view of recalling incidents which may be pleasant or unpleasant to one group or another. It is only to reassure some of our friends on the other side about the position of the so-called ultra-nationalists so kindly referred to in an article of the Ottawa *Journal* of April 16, which I quote:

Young Men in a Hurry

Why are our young ultra-nationalists, so influential with the present government, in such an infernal hurry with their ultra-nationalist schemes? In a single session of parliament we have measures to change "Dominion day" to "Canada day," to make Canadian citizenship more narrowly Canadian, and to create a "distinctive Canadian flag."

I shall dispense with reading another paragraph which I intended to read. The editorial establishes clearly that in some quarters there is a great deal of suspicion as to the loyalty of a group of Canadians in this country. May I quote from a letter published in the Montreal *Gazette* of yesterday over the signature of J. H. Bender, of Montreal:

Once more the Conservative party has resolved to try to regain the support it once commanded in this small conservative-thinking old province of Quebec.

The writer says in substance there is a suspicion about the loyalty of the French Canadians in some parts of Canada. I intended to quote a few paragraphs but that is the substance of it, and I do not want to take up too much time so I shall dispense with reading it. But I wish to bring this well-timed letter to the attention of the committee.

Let us be realistic for a moment, and ask ourselves what Quebec could possibly do to weaken its ties to the commonwealth. I see but two alternatives: annexation to the United States, and separatism. Hon. members who have studied the history of this country must have learned that the greatest opposition to annexation has come from Quebec. As to the suggestion sometimes lightly advanced of an independent Quebec state, it is simply preposterous. Some people, and Canadians of French culture are no exception to the rule, have a peculiar sense of humour. There are a few in Quebec who, in an academic frame of mind, choose once in awhile to talk separatism. In my opinion they do so pri-

marily to tease credulous people like some of our friends opposite. Nobody in Quebec takes them seriously, let alone the recognized leaders or leaders of the so-called "nationalist" movement in that province, who declared publicly and in no uncertain terms that they were definitely opposed to separatism. I am sure that the supposedly "ultra-nationalist" members of this house would express the same opinion if they were asked to give their views on this much abused question.

I believe a false impression is sometimes created outside of Quebec over the fact that the people of that province have to complain at times about certain alleged grievances. This government has been accused by extremists of catering to Quebec, and in a recent Gallup poll some two per cent of the people interviewed stated that they adhered to the Progressive Conservative party because the Liberals were favouring Quebec too much. The conclusive answer to this ridiculous contention is to be found in the memorable speech of the Prime Minister in the course of the short session during the autumn of 1944.

In my opinion, people of French descent, who have made an immense contribution to the upbuilding of this country, have been forced to accept a great many concessions and unpleasant situations in order that this common venture of confederation may be made a real success. Despite the fact that dark clouds may accumulate on the horizon at times, I honestly believe that this confederation has been an outstanding success, and had it not taken place, this country could not have developed and progressed to a point where it commands the admiration of the whole world. I am very frank in stating that in this common venture, it is the minority which has been forced to take most of the bumps. I do not begrudge the situation too much, as I realize that our lot is not uncommon with that of other minorities. I do not suggest for one moment that it would be better if we had to deal with a majority of another race and culture. It is possibly far better. But because the Anglo-Saxon people are reputed to be fair, broad and tolerant, as I believe the vast majority of them are, the minority group may reasonably expect from them a more liberal treatment than that generally accorded to other minorities in other parts of the world.

In my opinion if the amendment proposed should be accepted it would go a long way towards promoting a better understanding between the different groups of this country. I take the view that there cannot be any serious reason for refusing to accept the amendment. I know that objection has been raised by the Secretary of State, to the effect that it would necessitate the amendment of a great many federal and provincial laws. Well, I have a suggested amendment which would cover that if it were accepted. I have no experience of drafting legislation, but I suggest that section 26 should be amended by adding to it a subsection 2 as follows, or substantially as follows:

(2) Whenever, by virtue of any law now in force in Canada, or any regulation made thereunder, the rights and privileges of any person shall depend upon his status as a British subject, or whenever said law or regulation shall impose duties and obligations upon a British subject, then any Canadian citizen shall enjoy all such rights and privileges, and shall be bound by said duties and obligations in the same manner as if he were a British subject.

I humbly suggest that that amendment would cover the objection raised by the Secretary of State.

Mr. REID: Is the hon. member moving that as an amendment?

Mr. MICHAUD: No, I cannot move another amendment.

Mr. REID: Good.

Mr. MICHAUD: I appeal to my compatriots. They have themselves accepted many sacrifices for the common cause, and they will again—not with any great degree of enthusiasm—accept another measure which is before the house for the benefit of Great Britain. I honestly believe that they are being asked more often than their turn to forget their point of view in order to concur in the views of the majority.

As members of parliament we are in a position to wield considerable influence with our constituents, and we ought to assume that responsibility courageously. The vast majority of our electors have not the time to study the very complex problems which confront us. They depend on us to a great extent to give them the cue. The vast majority of our electors are intelligent people—otherwise we would not be here—and because they are intelligent they are likely to listen to us, provided we play the game with them and endeavour to enlighten them.

As far as the Quebec members are concerned, hon. members know that there is considerable opposition in their province concerning a certain bill presently before the house. What would they do about it? The Minister of Justice took the lead, gave the cue and most of the other members in their turn followed suit, with the result that the opposition has practically waned out. On this point I too did my share almost a month

ago, although with no great degree of enthusiasm, but I felt it was my duty to take my stand and support the measure.

If hon. gentlemen who oppose this amendment would be kind enough to make a step in our direction and take it upon themselves to defend the amendment, I feel sure that they would easily rally the opinion of the majority of Canadians if it were properly explained.

Let me say that it is futile to expect to reach a much larger degree of national unity in this country if the minority is always asked to yield to the views of the majority. I shall conclude with a sentence from Lord Acton, as follows:

> The most certain test by which we judge whether a country is really free is the amount of security enjoyed by minorities.

Amendment (Mr. Alistair Stewart) negatived.

Section agreed to.

On section 27—Rights and obligations.

Mr. BURTON: I should like to say a word or two in connection with this section. I need not apologize for taking up any of the time of the committee, because so far I have not taken part in the debate on this bill on any of the stages it has gone through. There are, however, a number of observations which I feel it my duty to make to the committee. But before doing so I wish to join with those who at other stages of the discussion have complimented the Secretary of State on having brought the bill before the house. I would remind the minister as well as other hon. members that, speaking in this house several years ago, I called attention to the desirability of something of this kind, and also pointed out the unfortunate position in which many of our people found themselves when the census official came around, because they were at a loss to understand why they could not call themselves Canadian citizens.

This section provides that a Canadian citizen shall, subject to the provisions of the act, be entitled to all the rights, powers and privileges and be subject to all the obligations, duties and liabilities to which a natural-born Canadian citizen is entitled. That is something on which the Secretary of State should be congratulated. In another section of the bill provision is made for a certain amount of education along these lines. But this, I would point out, is something that has been long overdue. When we are talking about rights and privileges I rather feel that we all, in years gone by, have been too negligent in impressing upon those who take upon themselves the citizenship of this country that the rights and privileges went along with corresponding duties and obligations.

Too often in the past have interests in this country, too often have different people, for their own purposes, made use of those who were brought in from other lands. They treated them well, no doubt, so long as it suited their purposes to do so, and then cast them aside and made light of their entry into Canada.

I assure you, Mr. Chairman, that many people came to the country from foreign lands with an honest and sincere desire to establish homes here for themselves, their children and their children's children for generations to come. While it is quite true—I am sorry I have to admit the fact—that occasionally some, a small number compared to the total number of those who came in, have not shown themselves worthy of the benefits, rights and privileges conferred upon them in the citizenship granted to them at that time, nevertheless the vast majority of those who came from other lands and assumed their duties and responsibilities, together with the rights and privileges that were conferred upon them, were sincere, and have endeavoured to live up to their responsibilities throughout the years. Too often have we in one way or another led them to believe that so far as the rest of us were concerned we were only too eager, when occasion arose, to treat their citizenship documents as a mere scrap of paper to be torn up at somebody's pleasure. On two occasions within our memory we have had people in this country who fulfilled every duty and obligation imposed upon them by their citizenship, and then we have found those people treated in a way unbecoming to citizens of Canada.

I regret to have to draw attention to this, but right in the constituency I have the honour to represent there were dozens and dozens of people, at whom I defy anyone to point the finger of suspicion or scorn, who had to go to the mounted police and have their fingerprints recorded. They had to report regularly—people who had sons in the active services—people with sons overseas in defence of their country of adoption. And yet someone has been responsible for having these people report regularly to the mounted police over a period of time, incurring the stigma attached to having their fingerprints taken. Do you call that doing something, with respect to people coming from foreign lands in order to take out citizenship papers here, to make them fully conscious of the privileges conferred upon them? Does treatment of this kind encourage them?

I suggest to the Secretary of State that when this bill becomes the law of the land and we confer on these people the rights and privileges, the duties and responsibilities of citizens, we and those succeeding us as a government must also consider that there is a duty, a responsibility upon us to see that those rights and privileges are not violated. I say that with all the power at my command.

I have throughout these years constantly endeavoured to impress upon the people I meet the fact that we all have our duties and responsibilities, and I have placed greater emphasis on the duties and responsibilities than on the rights and privileges. I appeal for assistance to get this message across, assistance to have it recognized that as a government we also have duties and responsibilities.

Mr. STEWART (Winnipeg North): May I ask the Secretary of State why, in line 9, a change has been made from the previous legislation, the word "political" having been left out? Previously the section read: "A Canadian citizen other than a natural-born Canadian citizen shall, subject to the provisions of this act, be entitled to all political rights, powers and privileges."

Mr. MARTIN: The reason is that it was misleading. Many people who were naturalized thought that because the word was there it gave them the right to vote at once in any province, municipality, and so on, and the department was flooded with letters, on occasions of provincial elections, from people wanting to know why they had not the right to vote. They had become naturalized citizens, and they could vote provincially when they had acquired the right by having complied with the requirements of the provincial act. There was objection also that the word "political" tended to be used, not by anyone in this house but by some people, as a sort of stick over the heads of prospective citizens of Canada. Individuals hear that someone is going to apply for naturalization and they go to him and say: "If you do not, you are going to be deported," and so on. We have given consideration to the matter and believe it would be more desirable and less misleading to leave the term out.

Mr. COLDWELL: Is not the proper word "all"? Delete the words "political rights" and so on and say "all".

Mr. MARTIN: All rights.

Mr. COLDWELL: I think that would be wider.

Mr. MARTIN: But political rights do not include all rights. All this section says is that once a person becomes naturalized in this country he has all the rights of a natural born citizen. That is strong and in a proper sense less misleading.

With reference to the remarks of the hon. member for Humboldt, I thank him in the name of the government for what he said about the measure. It is desirable that a measure of this kind should have wide support in the country and in the house. This bill has received the kind of support from all parties which will ensure its being a useful instrument in our national life. I fully concur in what he said about naturalized Canadians and I expressed that concurrence in the statements I made on first and second readings and in my reply on second reading. I have pointed out that the people who come to this country from other lands, regardless of their ethnical origin, must be received by us as equals once they are taken into the Canadian family. They are part of this community, helping to build it up, and they must be treated as such. At the same time we must call to their attention the fact that there are obligations which all of us, naturalized and natural born, must assume. There are also privileges and rights which are sacred and powerful, and which we want these people to enjoy. Therefore I fully concur in what the hon. gentleman has said, and I join with him again in paying a tribute to the people of his constituency and the constituencies of all hon. members. Certainly in my own constituency I have many excellent people who have come from other lands, Europe and elsewhere; who have merged themselves into Canadian life, and whose sons and daughters are a great credit to the country. I always think of a certain young girl as a good example. Before I became Secretary of State, and when I first became a member of parliament, I took from my own community as my secretary a young Polish girl who now has an important position with UNRRA. She was not born in this country, but she went to the schools in Windsor. Her father and mother had been born in Poland. She won prizes at the high school. She lived in this vicinity for eight years and many here knew her. She was an outstanding person. She is simply one of many such people throughout this country who are a great credit to Canada, and everything that we can do to see that the status they have acquired is recognized by all groups will be done by this government in the administration of this act.

Mr. DIEFENBAKER: This section makes a profound declaration. It declares that—

A Canadian citizen other than a natural-born Canadian citizen shall, subject to the provisions of this act, be entitled to all rights, powers and

privileges and be subject to all obligations, duties and liabilities to which a natural-born Canadian citizen is entitled . . .

I listened with great interest to the speech of the hon. member for Humboldt. He spoke with feeling, great wisdom and with a full realization of a situation which prevailed, as he said, twice in the lifetime of many people, particularly in western Canada. I think of my own constituency and of one particular part of it where 175 people, whose fathers came from Germany, served overseas in the late war in the armed forces of this country. That is why I pressed so strongly the other day, but without success, to have done away with once and for all this regulation under which at each succeeding census those who are Canadians are required to register on the basis of race. That is why I introduced the amendment, which was defeated, to do away once and for all with the one thing which in my judgment and in the judgment of many others does not contribute to the unity of Canada.

The Secretary of State has just made the statement that so far as this section is concerned, regardless of ethnical origin, once a person becomes a Canadian citizen he has all the rights, powers and privileges of a natural-born Canadian citizen. Is that strictly true? Last night just before adjournment I brought up the situation respecting the Japanese, which comes directly within the ambit of this section. I shall read the section again:

A Canadian citizen other than a natural-born Canadian citizen shall, subject to the provisions of this act, be entitled to all rights, powers and privileges . . .

Not subject to the provisions of orders in council that were passed last fall. After this bill becomes law, and I reiterate what I said last evening more strongly now after listening to the explanation of the Secretary of State—so far as section 27 is concerned, any Canadian citizen other than natural-born, regardless, to use the Secretary of State's own words, of ethnical origin, is entitled to all rights, powers and privileges of a natural-born Canadian citizen. What are these rights? They are clear. They certainly do not permit of deportation except under paragraph (a) of subsection 1 of section 21. I point out to the Minister of Veterans Affairs that this section is much stronger in support of the contention I raised last night than was the section to which I referred earlier. Section 21 provides that a person can only lose his citizenship under paragraph (a) if he is disloyal. In other words he has:

—during any war in which Canada is or has been engaged, unlawfully traded or communicated with the enemy; (b) has obtained a certificate of naturalization or of Canadian citizenship by false representation or fraud, or concealment . . .

He has committed a crime or has shown himself by act or speech to be disaffected or disloyal to His Majesty. There is one other provision that has no application at all. May I make myself clear? I agree with the Secretary of State when he says that Canadian citizenship does mean something. I ask him how by any stretch of the imagination he can argue that these orders in council passed in October last can be effectual as against section 27 when it is passed? I repeat: subject to the provisions of this bill any Canadian citizen other than natural-born is entitled to all rights. Does the Secretary of State suggest now that any law officer of the crown will give the opinion that an order in council passed before this bill is passed can have any effect as against section 27; or is this a means of affording a fortuitous circumstance whereby the government will not be forced to continue with its policy?

Mr. MARTIN: This section is now the law and has been the law for thirty-three years.

Mr. DIEFENBAKER: That is all right; it has been the law, but not as far as a citizenship act is concerned. You see, Mr. Chairman, my hon. friend takes two or three different positions. One day he says there is nothing in this, that it has been the law for thirty years. In the next breath he says we are creating a new citizenship in this country, with new rights and new responsibilities. He cannot have it both ways. I am not going to carry on that argument; my hon. friends may continue it, but I am pointing out plain words which do not require any lawyer or any judge for their interpretation. A Canadian citizen shall, subject to the provisions of this bill, be entitled to all rights, powers and privileges. To interpret those words does not require any of the special knowledge that the hon. member for Cape Breton South suggested was possessed by the legal fraternity; and let me say that I have often thought what a wonderful lawyer he would have made, because even without that training he is able to argue as few lawyers can. But it does not require any legal interpretation; it does not require any splitting of hairs. There are the words; and I ask now not only that the Secretary of State place before the committee the general legal opinion that was given by the Department of Justice, but also in what way plain words are to be interpreted differently from their plain import and meaning.

The ACTING CHAIRMAN (Mr. Golding): Shall section 27 carry? Carried.

Mr. DIEFENBAKER: No, Mr. Chairman, I want an answer.

Mr. MARTIN: What answer does my hon. friend want? I told him I would put the question to the Department of Justice and when that legal opinion is prepared it will be given to the committee, but I am not the Minister of Justice.

Mr. CRUICKSHANK: I agree with the hon. member for Lake Centre and the hon. member for Vancouver East, for a change, because to my way of thinking one does not need to be a lawyer to understand what this means. If you give a man all the rights of citizenship you cannot move him from one province to another or do anything at all with him; and why should you? I will go this far; why should you, even if he is a Jap or anybody else? If he is a Canadian citizen he is entitled to every right as a Canadian citizen as far as I am concerned. The hon. member for Vancouver East did not expect me to say that. I do not think there are any ifs, ands or buts about the matter. I am no lawyer; if I were I would rather hope to be a defeated candidate and be made a judge.

Mr. MacINNIS: That would be another poor judge.

Mr. CRUICKSHANK: I just agreed with you, and I expected something a little kinder than that. I think the minister should give us something definite on this matter, or he should not bring in such a section. Why are we going to all the expense of taking the matter to the privy council? I never saw a lawyer work for nothing yet.

Mr. FULTON: What are we doing in this house?

Mr. CRUICKSHANK: We are just wasting our time talking about that, without knowing if this is to be the law. Will the minister definitely say that the Department of Justice, or whoever passes upon these things, has stated that these orders in council will stand?

Mr. MARTIN: I can only repeat what I have said already, that I am not the Minister of Justice. Last night the hon. member for Lake Centre asked if I would request the law officers of the crown to give an opinion, and I have done so. They will give their opinion to the Minister of Justice at the first opportunity, I presume, but I am not the minister of that department, and it would be wholly presumptuous on my part to give an opinion. We have to rely upon the law officers of the crown, and their opinion will come in due course.

Mr. CRUICKSHANK: Then will the minister hold over this section for the time being? I do not think he had any right to bring it in before obtaining an opinion from the Department of Justice. Will he hold this over until we know where we stand legally? Apparently the Minister of Justice has no knowledge whether or not it is legal, and I think the minister should have found that out before proceeding with the bill.

Mr. MARTIN: I cannot agree to hold over this section, because it has nothing to do with the matter referred to by the hon. gentleman. This section stands by itself, and this has been the law of the land for over thirty years. It is not introducing anything new, and has nothing to do with these deportation orders.

Mr. CRUICKSHANK: The hon. member for Lake Centre says it has.

Mr. MARTIN: Surely the hon. gentleman will not always rely upon what the hon. member for Lake Centre says.

Mr. CRUICKSHANK: I would rely on the legal advice of the hon. member for Lake Centre as against any legal advice you have in your department, when you bring in this sort of thing.

Mr. COLDWELL: Can we not get away for a few minutes from the matter which seems to be bothering a few of the hon. members from British Columbia? It seems to me we have before us a statute we are being asked to pass. I am entirely out of sympathy with the point of view that has been expressed. I believe anyone, of whatever colour, race or creed, who is a citizen of this country should be accorded all the rights of citizenship that every other citizen enjoys, and that there should be no discrimination whatsoever. We have had a long discussion about the Japanese in British Columbia. We have before us a bill by which we are trying to establish the rights of Canadian citizens, whether they are of this colour or that, of this religion or that, of this tongue or that. Why not consider it quite apart from the question of whether it will affect a particular group in a particular section of this country, and then, if necessary, let the courts decide that issue, as we do in connection with other legislation? I am no lawyer, but personally I hope this will give equal rights to all people in our country when we accept them as citizens in our midst. I say that because we are trying to practise what we preach. The other day I was delighted to

learn something I did not know before, that in Saskatchewan, where we have a C.C.F. government, that policy has prevailed and we have two outstanding young Canadians of Japanese origin, one a doctor and the other a lawyer, serving that province in their professional capacities.

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

Mr. COLDWELL: I am always glad to answer a question.

Mr. CRUICKSHANK: Then can the hon. member tell me why the premier of Saskatchewan and his C.C.F. government are going against the very principle which the hon. member for Vancouver East and I have preached, that if you are a Canadian citizen you should have every right of the country. Why does the premier of Saskatchewan say he will take only a certain number of Japanese in his province? Does he not believe in Canadian rights?

Mr. COLDWELL: That is not the case.

Mr. CRUICKSHANK: But that is what he said.

Mr. COLDWELL: I am not going to try to answer for the premier of Saskatchewan. I know him pretty well, and I know his view, which is that Saskatchewan is prepared to take Japanese citizens—

Mr. CRUICKSHANK: Up to 1,200.

Mr. COLDWELL: No, not up to a limited number; that it is prepared to take citizens, not Japanese citizens, which is a different matter, but Canadians of Japanese origin.

Mr. CRUICKSHANK: That is not what he said.

Mr. COLDWELL: That is what he said.

Mr. CRUICKSHANK: Pardon me, but it is not.

The ACTING CHAIRMAN (Mr. Golding): This discussion is not relevant to this section. I hope hon. members will confine their remarks to the section with which we are dealing.

Mr. REID: Following what has been said by the leader of the C.C.F., may I say that my objection to the section is that it does not give equal status. The minister has admitted that it does not. That was my objection last night, and I still object. We talk too glibly about equal status. Yet the minister admits it does not give that. What status does it give the naturalized citizen? It does not give equal status with the natural-born, and I am objecting on this ground. If we are to give them equal status, then let us say so. But do not be fooled by it; do not say one thing and think another. Make no mistake about it; it does not give equal status to the man who is naturalized.

The ACTING CHAIRMAN (Mr. Golding): Shall the section carry?

Mr. REID: No.

Mr. GREEN: The situation is just not as simple as the hon. member for Rosetown-Biggar seems to think. Last December, through the Prime Minister, the government announced its policy with respect to Japanese in Canada.

The ACTING CHAIRMAN (Mr. Golding): I think the hon. member is out of order when he discusses that matter on this section.

Mr. GREEN: I think you will find in a minute or two, Mr. Chairman, that I am very much in order. Other hon. members have been allowed to discuss it.

Mr. CASSELMAN: And he is not reading his speech, either.

Mr. MacINNIS: On a point of order, I was ruled out of order last night when I tried to speak to another section. If the debate is open on this section, then I have a long deferred speech I should like to make.

Mr. CRUICKSHANK: We will answer it.

The ACTING CHAIRMAN (Mr. Golding): The hon. member for Vancouver East was ruled out of order because it was decided that sections 16 and 17 should stand. I think he should have had an opportunity to speak, but the committee decided to let those sections stand. There will still be an opportunity for the hon. member.

Mr. MacINNIS: It is open now.

Mr. MARTIN: No.

Mr. GREEN: I wish to deal with section 27 of the bill. As I said a minute ago, the government announced a policy on December 15 of last year.

Mr. MARTIN: On what subject?

Mr. GREEN: The Japanese problem.

Mr. MARTIN: On a point of order, this section deals simply with the proposition that naturalized Canadian citizens will have the same rights as natural-born Canadians, subject to the provisions of the bill. As the hon. member for Rosetown-Biggar has said, surely that is the only issue involved.

Then, on the point the hon. member has in mind, there will be opportunity in the discussion of suggested amendments to section 17. Surely, however, this discussion should be in the proper place.

Mr. GREEN: On that point, the hon. member for Lake Centre contended that section 27, if passed, would override the orders in council passed last December, and he was quite in order in making that submission. There has been no suggestion that he was out of order, and several other hon. members have spoken on the same subject. It is on that point I wish to speak. I submit to you, Mr. Chairman, and to the committee, that I have a perfect right to do so.

This section purports to confer certain rights, and I propose to deal with the question of—

Mr. MARTIN: It does not deal with rights, at all.

Mr. GREEN: —whether or not it overrides the orders in council.

The ACTING CHAIRMAN (Mr. Golding): I believe the hon. member is out of order in discussing government policy in connection with the Japanese when this section is before the committee. I believe he will agree with that.

Mr. GREEN: I certainly do not.

Mr. HACKETT: Is it not within the right of a member to discuss the effect of this section? That is all the hon. member is asking to do. His argument is that if this section be passed one of its effects will be to annul what we call an order in council, or legislation now existing. With great respect I submit that is one of the elementary purposes of discussion, namely to find out the effect of legislation to be enacted.

Mr. COLDWELL: Other hon. members having been allowed to discuss this problem, and having in mind the manner in which the matter has been raised, I think in all probability the hon. member might be in order in discussing it now. But may I respectfully submit to him and to other hon. members that there is bound to be a discussion when the amendment moved by the hon. member for Lake Centre is before us. It seems to me we would save a great deal of time if we tried to discuss this matter at one time.

No doubt the hon. member for Vancouver East and Vancouver South will make fairly lengthy speeches, and I can see something coming over the face of the hon. member for New Westminster which might indicate that he will have something to say.

[Mr. Martin.]

Mr. REID: The hon. member is right.

Mr. CRUICKSHANK: And Fraser Valley.

Mr. STEWART: And Winnipeg North.

Mr. COLDWELL: Can we have those speeches on the section where there would be no doubt as to their being in order.

Mr. MARTIN: On section 17.

The ACTING CHAIRMAN (Mr. Golding): I have no desire to curtail debate, but I believe it is the duty of the Chair to have members deal with the sections under discussion. There was a lengthy debate on the principle of the bill before we went into committee. The question now introduced has been discussed repeatedly, not only in connection with this bill, but at other times. However, I am in the hands of the committee, and it must decide whether the hon. member for Vancouver South shall discuss the matter now, or wait until the committee discusses the amendment offered by the hon. member for Lake Centre. Either procedure would be satisfactory to me.

Mr. MARTIN: Last night we held over two sections so that this very matter could be discussed. Section 17 was set aside particularly for that purpose. The same procedure was taken in connection with section 16, although I thought it had no relevance. When we come to that I shall have something to say by way of some additions. In view of these facts I suggest that is the way we ought to leave it.

Mr. GREEN: May we have section 27 stand?

Mr. MARTIN: No, we cannot let every section stand. We left two standing last night, so that this matter could be discussed, and so that I could give consideration to a matter mentioned by the hon. member for Vancouver South. There will be ample opportunity for discussion, as the hon. member for Rosetown-Biggar has said. I would suggest with great respect that we pass this section, and later come to the others before the close of the day.

Mr. GREEN: I have a suggestion to make to the minister respecting an amendment which I think would meet the situation.

Mr. MARTIN: In connection with section 27?

The ACTING CHAIRMAN (Mr. Golding): If the hon. member is about to move an amendment to the section, he is in order.

Mr. GREEN: No. I am not. But I am suggesting to the minister that there is a possibility here of conflict between two governmental policies, one of which was announced last December and implemented by order in council, and the second of which is found in the citizenship bill. Would it not meet the difficulty if an amendment were inserted—

Mr. MARTIN: In this section, or this measure?

Mr. GREEN: I do not care where it is put. It would state that nothing in this act shall override the provisions of orders in council 7355, 7356 and 7357, passed on December 15, 1945, and would make it dead clear that the policy adopted last December by the government is to be carried through.

If something of that sort is not done, we may be met with a situation wherein, once the citizenship bill is passed without any amendment of this kind, it would be said, "Oh, well, it is too bad. We had our Japanese policy; but now that this bill has gone through it takes away our power to carry out that policy. It is just too bad. The Japanese may go back to British Columbia. Of course we feel very sorry for you, but we cannot do anything about it." I suggest that the government give consideration to inserting an amendment along the line I have suggested.

Mr. MARTIN: I have given consideration to it, but my mind is not made up. We have now before the officials a proposed amendment which would properly come under section 46. I am not saying now that we shall accept it, but that is the section under which it should be considered. I may have an opportunity to consider it during the dinner recess.

Mr. STIRLING: Surely we have had sufficient reason shown for the minister to hold over section 27. Reference has been made to the fact that there has been considerable debate on this bill. I was not the only one on second reading to ask the government to make its statement to bring us up to date on the question of its Japanese policy. The subject was reintroduced last evening on sections 16 and 17, and they were allowed to stand. But we are now discussing section 27, and the hon. member for Lake Centre calls attention to the fact that in his view there is a conflict between section 27 and the government's policy as announced.

Mr. MARTIN: Cannot we deal with that when we consider the amendment of the hon. member for Vancouver South? I think he has suggested the proper course to deal effectively with the matter. I am not saying that we shall accept it, but if we do, the place to do it is under section 46.

Mr. STIRLING: Then the only course for us is to hold over section 27 until the minister makes up his mind. The hon. member for Lake Centre raises the question of conflict between this section and the government's policy. The Secretary of State says that he is not prepared to answer him now but that the matter has been submitted to the Minister of Justice and in due course an expression of opinion by the Department of Justice will be forthcoming. Then I say most certainly this section should stand until this committee has received that opinion. It is just as much worthy of standing as sections 16 and 17. They are all linked together, and now the minister links this section with section 46.

Mr. MARTIN: The hon. member for Vancouver South has proposed an amendment which it would be proper to consider on section 46; that is the place to deal with it. I am sure he will agree with me that if the amendment is something along the lines we expect, it will meet the point. I do not want to hold over section after section. All that this section does is simply to say that the naturalized person has the same rights as the natural-born.

Mr. REID: He has not.

Mr. MARTIN: Subject to the provisions of this bill. We can deal with the matter under the proper section, which is section 46. The mere fact that one hon. member says that this is the section to deal with it does not make it so. It is obvious that section 46 is the place. The hon. member will be fully safeguarded. I urge the committee to allow this section to pass now in the in the interest of progress.

Mr. STIRLING: If the minister would say that when we come to section 46 he is going to amend it in such and such a way we should have no reason for asking that this section stand, but all he says is that the matter is still under consideration by his officials. We have no intimation as to the intention of the government with respect to section 46 and most certainly therefore the course for us is to have section 27 stand.

Mr. MARTIN: I have been as frank as I could. I said that I have been considering this matter but hon. gentlemen will appreciate that this is a complicated measure. We are considering an amendment somewhat along the lines which the hon. member for Van-

couver South has mentioned, but I have not yet had a chance to see that amendment, and I do not want to say to the committee that it will be accepted. I think I have gone as far as I could. It certainly will not affect section 27.

Mr STIRLING: It certainly does in our view.

Section 27 agreed to.

On section 28—British subjects under the laws of other countries of the British commonwealth.

Mr. STEWART (Winnipeg North): May I ask for elucidation of one point? The hon. member for Eglinton has one idea with respect to a British subject and I have another. A British subject is one who was born in the British dominions or British possessions. Section 2(g) provides that "country of the British commonwealth" means:

For the purposes of this act a country listed in the first schedule to this act.

In the first schedule the United Kingdom appears. Does that include crown colonies and dependencies and India?

Mr. MARTIN: Yes. There is no doubt about that. The hon. member for Swift Current asked a question on that last night.

Mr. HACKETT: Will the minister say whether Ireland which is mentioned in the first schedule includes Eire as well as Northern Ireland?

Mr. REID: That is a $64 question.

Mr. MARTIN: Northern Ireland comes under the United Kingdom.

Mr. GREEN: Would a person born in India who has come to Canada and been here the necessary time to acquire Canadian domicile be considered a Canadian citizen under the terms of the bill?

Mr. MARTIN: Yes.

Mr. STIRLING: Even though India is not mentioned in the schedule?

Mr. MARTIN: India is not a country with nationality laws of her own. These matters are determined for India by United Kingdom statutes.

Mr. BENTLEY: Yesterday afternoon and evening the hon. member for Eglinton corrected the statement I made about some of these people. The Secretary of State has now corrected him and shown that my statement was correct.

Mr. MARTIN: That is right.

Mr. BENTLEY: That is just for the record.

Section agreed to.

[Mr. Martin.]

The ACTING CHAIRMAN (Mr. Golding): I think the committee should return to section 21. I must apologize to the hon. member for Winnipeg North for neglecting to bring his amendment before the committee. Just before eleven o'clock last night he had proposed to amend section 21 by deleting subsection 1(d) and substituting the following therefor:

has been convicted of treason or sedition by a court of competent jurisdiction.

Section 21(1)(d) reads:

(d) has, since becoming a Canadian citizen or being naturalized in Canada, been for a period of not less than six years ordinarily resident out of Canada and has not maintained substantial connection with Canada.

The amendment proposed is:

has been convicted of treason or sedition by a court of competent jurisdiction.

Is the committee in favour of the amendment?

Mr. GREEN: I wish to ask the minister a question with regard to this section.

The ACTING CHAIRMAN (Mr. Golding): This is section 21, subsection 1 (d). This is the clause we renumbered. The clause reads as follows:

has shown himself by act or speech to be disaffected or disloyal to His Majesty.

The amendment reads:

has been convicted of treason or sedition by a court of competent jurisdiction.

Mr. GREEN: I should like to support the government in connection with this amendment.

Mr. MARTIN: May I thank the hon. gentleman? It is a relief.

Mr. GREEN: It is a terrible thing to have to agree with the minister, but I think he is quite right in this case. This provision has stood in our naturalization law for at least thirty years, and I believe it is necessary, to deal with exactly the type of cases to which the minister referred last night. I would point out to members of the committee that a new provision has been added in this section under which the minister and the governor in council cannot act to deprive a person of his citizenship without first giving him notice and without the appointment of a commission to inquire into all the facts. In other words, the person whose citizenship is under attack is given a very wide power of making his case, and I do not think there is the slightest chance of his losing his citizenship unfairly. I suggest that the government be supported in maintaining the clause as it appears in the bill.

Mr. BENTLEY: I do not follow the reasoning of the hon. member for Vancouver South. He says that a person whose citizenship was under attack would have every opportunity, by appearing before a competent commission, to prove his innocence. By what line of reasoning would he not agree that it would be better to have the person formally charged and enabled to prove his innocence before a competent court of law?

Mr. MARTIN: The hon. member has put his finger on the reason why I think the subsection should stay as it is. Most of the revocations have to do with people who have left the country. I would say that 90 per cent—my deputy puts it at more that—are cases of people who have left Canada. Obviously we cannot deal with them in our courts. As the hon. member for Vancouver South has mentioned, I was not content merely to be able to revoke it on the declaration and the pen of the minister. No revocation will take place unless a commission which has been appointed—it is a continuing commission headed by a judge—has an opportunity of going into all the facts alleged by the department, and due notice has been given to the party concerned. For instance, my officials are now in the process of dealing with many hundreds of cases of people—the kind of group I mentioned last night—who have left Canada. In many cases we do not know where they are, so that obviously the amendment which the hon. gentleman has in mind would not meet the objective about which we are really concerned. We deal largely with people outside Canada, and the words used are classic words; they are used throughout the Naturalization Act; they will be found in naturalization acts throughout the commonwealth, and, except for the reference to His Majesty, the language is substantially the same as will be found in the United States act. But the point I wish to make is, first of all, that if we accepted the amendment we could not deal with the cases we have to deal with, and, second, such case is not being dealt with through any bureaucratic method, but is dealt with following proper notice to the party concerned, who is given a full chance, through representation by counsel and the like, to show whether or not the revocation should take place.

Mr. BENTLEY: The explanation is reasonable and clear. I am not going to argue about it, because I can quite see that you cannot bring an absentee before a court of law. The minister, however, just stated that this condition applies to the large majority of cases, 90 or 95 per cent, but there might be a small percentage which would be left here, and I do not see why this amendment could not be accepted and applied to the case of those who may not be absent. Is there not some way that the minister could give an assurance that those who are in the country and can be formally brought and charged before a court will be dealt with in that way?

Mr. MARTIN: The cases are so infinitesimally insignificant in number that there is not much point to be concerned about. If a man is in the country he has his rights in the courts. Nobody can deprive him of them.

Mr. DIEFENBAKER: I am very much interested in the last few words of the Secretary of State. This is the first time I have ever heard it enunciated that a person had any rights in the courts under a section such as this, once a decision has been made on the part of this commission or committee. I should be interested to hear of one case where a decision made by a bureaucratic body—or an administrative body, if you would sooner have it in that way—could, under a section such as this—

Mr. MARTIN: Do not misunderstand me. What I mean is that this commission we have is headed by a judge, and one holding a high judicial office, usually in the supreme court. The last judge who headed the commission was the chief justice of Manitoba; and he has two people associated with him. I did not mean "the courts" in the sense of police courts or anything of that sort.

Mr. COLDWELL: I believe the suggestion made by the hon. member for Swift Current is a good one. It may be that the number of cases wherein it is proposed to revoke the citizenship of someone living in this country is very small; but, however small, the persons concerned have the right to be protected under our law, and I am hesitating very much indeed to allow in our acts of parliament the setting up of commissions, even when headed by a judge, who can assume powers which ought to be exercised only by the courts.

I am not going to discuss that further this afternoon, but on another occasion I intend to have something to say about the manner in which our judicial processes have been set aside and commissions—composed of very worthy and reliable judges—have been set up to act in a manner contrary to every fundamental of British and Canadian justice. I am not disposed to support in any bill the setting up of commissions of this description which have to decide anything as important

as whether a man should be deprived of his citizenship. It may be that it is impossible to bring action in a court against a man who is absent. I am not a lawyer and I do not follow the law cases, but I seem to have hazy recollections of cases of persons who have been ordered to appear before courts of law and who have not appeared because they could not appear, and have been tried and sentenced in their absence. Even if the number of cases is infinitesimal, as the minister says, I am not disposed to allow this kind of thing to continue. We have had in recent days what I consider an abuse of this kind of thing. I want to see a citizen, even if it is only one citizen, adequately protected under the law. The hon. member for Swift Current suggested a way out and I would ask the minister to give consideration to it.

Mr. MARTIN: I cannot say I am not impressed. I think we had better let the section stand. There is a strong case for the suggestion.

Mr. GREEN: Would it not meet the objection if we provided that the inquiry should be by the court? The minister already has power in the section to refer the matter to a court or commissioner, who must be a judge. Why not make the reference solely to the court? That would meet the objection.

Mr. DIEFENBAKER: In some particulars I agree with what the leader of the C.C.F. has stated. I think we have come to the point where the setting up of these commissions should be an earnest study on the part of parliament with a view to doing away with them. The Secretary of State speaks about the fact that a judge will be placed in charge—

Mr. MARTIN: Has been.

Mr. DIEFENBAKER: —has been in charge of this commission. I know of one commission which has recently been sitting which has set aside all the principles and all the traditions of British law and justice, and it has made a horrible mistake in one case we know of. They were two of the most eminent judges in this country operating under the commission system, which in its very essence can be a denial of British justice.

Mr. MITCHELL: Would that be the first time a court has made a mistake, the first time human beings have made a mistake?

Mr. DIEFENBAKER: No. The Minister of Labour speaks with such experience on the question of making mistakes that I can understand the present question.

Mr. MITCHELL: One thing about it, I am frank to admit it.

[Mr. Coldwell.]

Mr. DIEFENBAKER: However, he is an affable fellow and we never have real disagreements. At any rate, this is a case that deserves the attention of parliament. A royal commission sat and tried people—one person, we will say; I will not deal with the others because they are before the courts. They tried him and found him guilty—two high court judges—and a magistrate said there was no evidence whatsoever against him sufficient to commit him. I refer to their report relating to the provisions for the setting up of the commission, at page 20, from which I quote:

> Therefore, there would seem to be no answer on the evidence before us, to a charge of conspiring to communicate secret information to an agent of the U.S.S.R.

That is an example of what happens under commissions. I did not know we were back to section 21, but we are in the position here of approving the setting up of commissions. I am glad my hon. friend, a member of the government, has learned of the importance of having counsel representing the accused—

Mr. MARTIN: I am learning every day.

Mr. DIEFENBAKER: —because he pointed out that in this case counsel would be permitted to be present. But I suggest that while this section may have been here for a long time—

Mr. MARTIN: I am going to agree with the amendment if I can get a chance.

Mr. DIEFENBAKER: Oh, you are?

Mr. MARTIN: I said so a long time ago.

Mr. DIEFENBAKER: My hon. friend did not say that.

Mr. MARTIN: I did.

Mr. COLDWELL: Yes, he did.

Mr. DIEFENBAKER: He must have been conducting a conversation.

Mr. MARTIN: The hon. gentleman was engaged in other things when I said I was impressed by the argument to which I had listened, and I was impressed, because it has troubled me. I would therefore ask the Minister of Mines and Resources to move now that paragraph (e), which as amended is now (d), be amended by inserting after the word "has" the words "if out of Canada", and after "His Majesty" the words "or, if in Canada, has been convicted of treason or sedition by a court of competent jurisdiction".

Mr. GLEN: I so move.

Amendment agreed to.

Section as amended agreed to.

On section 29—Rights of aliens.

Mr. MacNICOL: In subsection 2 (b) there are the words "qualify an alien to be the owner of a Canadian ship". Can the alien be the captain or master of a ship he owns trading between Canada and some foreign country, and if qualified as captain or master of a Canadian ship while he himself is an alien, can he carry on intercoastal trade in Canada?

Mr. MARTIN: That would be governed by the Merchant Shipping Act of 1934, which I think provides that the captain has to be a British subject.

Mr. MacNICOL: In paragraph (d), in line 3, there are the words "mediately or immediately." I interpret the word "mediately" to mean any time in the future, or some time later. Is that correct?

Mr. MARTIN: This had to be put in because, under the common law, an alien could not hold property.

Mr. MacNICOL: Have I interpreted the word "mediately" correctly?

Mr. MARTIN: Yes. That goes back to 1881 and was put in by Sir John A. Macdonald. I quote from the House of Commons debates of 1881, at page 1369:

> But, notwithstanding, it is absolutely necessary that there should be concurrent legislation and that parliament should intervene and have power to deal with this alienage question as well. I believe in all the provinces, by provincial laws, aliens have the right to hold property. But the question of an alien is a matter altogether belonging to the crown or parliament. An alien cannot of course stay in the country except by special permission of the crown—he can only stay on sufferance. By the law of nations now settled, and the concurrence of many treaties between civilized nations, he has a right to trade between nations at peace. An alien can trade and hold property under statute; but he cannot for reasons of state, connected with the existence of the empire, become a permanent occupier or owner of the soil, and liable to all the duties and responsibilities attaching to such ownership. There is no clearer position than that the crown is not bound by an act unless the crown is specially mentioned in it.

Mr. MacNICOL: Would the minister give an explanation of the significance of the year 1883?

Mr. MARTIN: That is the date when the act came into force.

Mr. MacNICOL: I thought the minister mentioned 1881.

Mr. MARTIN: That was when the act was passed. It was proclaimed in 1883.

Mr. SHAW: Subsection 2 of section 29 states:

> This section shall not operate so as to
> (a) qualify an alien for any office or for any municipal, parliamentary or other franchise.

It is assumed that the reverse is not true, that it disqualifies him; but what I find confusing is the reference to municipal franchise. It seems to me that the provincial governments determine who shall or shall not vote in the municipality. The same argument applies with respect to the holding of any office in the municipality. It comes to my mind that I had occasion three years ago to talk with the Royal Canadian Mounted Police to determine the eligibility of an alien to hold office in a municipal council. It was determined that he could. We checked the War Measures Act which stated specifically that an alien was not disqualified from holding municipal office. Why is specific reference made to municipal franchise, when that falls properly within the jurisdiction of the provinces?

Mr. MARTIN: My hon. friend will remember that under subsection 25 enumerated head, section 91 of the British North America Act, the power over aliens is given to the parliament of Canada. It is for that reason that we deal with this situation; we are the only body that can. Many hon. members must have had the experience of meeting with individuals who have been in the country for a long time and who perhaps are not aware of what they must do in order to become naturalized citizens and so on. There have been occasions where they have run for office and so on without being British subjects, and wilthout having become naturalized. The dominion government is the only body that can deal with the matter.

Mr. REID: In view of the fact that property rights, under the British North America Act, come under the jurisdiction and authority of the various provinces, if a province passed a law denying an alien the right to hold property, would that affect this section? Which law would prevail?

Mr. MARTIN: I can only repeat what I said, under enumerated head subsection 25 of section 91, the federal parliament is given power over aliens, and the judicial committee has construed that particular section in question as being within our competence.

Section agreed to.

On section 30—Trial of alien.

Mr. SHAW: May I again refer to the matter that I brought up a moment ago? It is still a bit confusing to me. Am I correct in concluding that a provincial government has no right to state whether an alien can or

cannot vote in a municipal election or hold office? In other words, if a province asserts in its municipal act by mistake that an alien is qualified, does it take that action contrary to the provisions of the British North America Act?

Mr. MARTIN: No. This section merely says that it shall not have the effect of qualifying any such person to hold municipal office.

Mr. SHAW: It does not disqualify them?

Mr. MARTIN: This section does not qualify anyone.

Mr. COLDWELL: It does not prevent a provincial government from saying in its municipal act that a man need not be a Canadian citizen or a British subject. We know that for years in western Canada, particularly in the newer sections when we had large numbers coming in, they were not there long enough to qualify as citizens. Yet we had to establish school boards or something of that kind, and the result was that under the property rights the qualification to vote and to hold office was there in spite of the fact that a man may not be a citizen. As I take this section, and as I think the minister intends it, it does not prevent the province from allowing that kind of thing.

Mr. MARTIN: This section is not to be construed as giving any qualifications.

Mr. COLDWELL: Or disqualifications.

Mr. REID: With reference to section 30, would the minister explain why in a bill of this kind a section is inserted which states:

An alien shall be triable at law in the same manner as if he were a natural-born Canadian citizen.

I would have thought a section of this kind would appear in the criminal code or in some other law.

Mr. MARTIN: Under the common law an alien had the right to be tried by people who understood his own language; this section was inserted just to remove the doubt.

Section agreed to.

On section 31—Application, where made.

Mr. MacNICOL: How will section 31 conform with the amendment that the minister has proposed to section 10, which has to do with British subjects coming into Canada?

Mr. MARTIN: The amendment which is proposed to section 10 excludes British subjects from the obligation of going into court. This does not affect them.

[Mr. Shaw.]

Mr. GREEN: I think it is not quite as clear at that. Several of the sections deal with court procedure. The minister should consider whether or not, in view of his proposed amendment to section 10, he will have to make a change here. For example, take the manner in which an application is to be made. Is it to be made to the court or to the minister direct?

Mr. MARTIN: Direct to the Secretary of State.

Mr. GREEN: Under section 31 every application would have to be made to the court.

Mr. MARTIN: No.

Mr. GREEN: That is the way it reads. It says:

An application for a certificate of citizenship shall be made to the court in the judicial district in which the applicant resides or as otherwise prescribed by regulation.

Mr. MARTIN: This refers to an application to a court, and my amendment refers to a declaration which goes to the minister—two different things.

Mr. GREEN: Should not some words be put in after the word "application", an application to the court?

Mr. MARTIN: That is what it says; an application for citizenship shall be made to the court.

Mr. GREEN: I read it as though every application must be made to the court.

Mr. MARTIN: The other one is not an application; it is a declaration on the part of the British subject. That is the way the amendment reads.

Section agreed to.

Sections 32 and 33 agreed to.

On section 34—Production of evidence.

Mr. GREEN: What about this section? Surely an applicant who is a British subject must make an application to someone. He does not simply file a declaration; he makes an application. Section 34 reads as though he must personally appear in court.

Mr. MARTIN: No, he does not file an application; he simply makes a declaration to the minister. I call attention to my proposed amendment which appears on page 1145 of *Hansard*:

. . . the minister may grant a certificate of Canadian citizenship to any person who is a British subject and who makes to the minister a declaration that he desires such certificate . . .

We carefully considered it and used the word "declaration" there; it is not an application; it is a declaration which he makes.

Mr. FLEMING: Would it not help to clarify the matter to provide in this section that it shall be subject to the provisions of section 10? That would remove all question about it and establish clearly that the amendment which the minister proposes to introduce to section 10 shall override any possible contradiction in section 34.

Mr. MARTIN: I do not think there is any need for it. We have gone into it carefully. We are quite satisfied. One is a declaration and the other is an application. We want to keep that distinction.

Mr. FLEMING: The concluding words of section 34 deal with personal appearance.

Mr. MARTIN: That is with regard to the applicant for a certificate. A British subject is not an applicant for a certificate; he merely makes a declaration which comes to us.

Mr. FLEMING: I ask the minister what harm there could be in clarifying this position. There could be no objection, I suggest, to the sort of action I have mentioned. It is simply clarifying the procedure, to put it beyond all question.

Mr. MARTIN: We have gone over that, and we think it is quite clear.

Mr. FULTON: Surely a British subject, though he is only required to complete a declaration, eventually will be an applicant for a certificate.

Mr. MARTIN: It will go to him automatically, pursuant to the declaration.

Mr. HERRIDGE: I should like some information from the minister. There appears to be an anomaly in this clause, in that although a natural-born Canadian is a Canadian citizen and is entitled to a certificate as of right, he must make application therefor to a court under sections 34 and 35, and the onus is upon such applicant to satisfy the court by evidence that he is a fit and proper person to be granted such certificate and that he possesses the required qualifications. As I see it, the possible effect might be that although the natural-born Canadian citizen is entitled to all the rights, privileges and so on of a citizen, he may be refused a certificate of citizenship on the ground that the court did not believe he was entitled to be a Canadian citizen, a status which in my opinion cannot be taken away from him. It seems to me it should not be within the power of any person to refuse a certificate to a Canadian citizen who has not lost his status by establishing domicile in another country.

Mr. MARTIN: I must say I do not get the point of my hon. friend's remarks. To which section is the hon. gentleman referring?

Mr. HERRIDGE: Section 34, and it also covers section 35. He might be refused a certificate of citizenship on the ground that the court did not believe he was entitled to be a Canadian citizen. In my opinion that is a status which cannot be taken away from him.

Mr. MARTIN: I do not understand the hon. gentleman. This only applies to aliens.

Section agreed to.

Sections 35 and 36 agreed to.

On section 37—Instruction in the responsibilities and privileges of Canadian citizenship.

Mr. FLEMINIG: I attach a great deal of importance to sections 37 and 38, as I am sure all other hon. members do, because much of the lack of a sense of citizenship in this country may be ascribed to the fact that there has not been adequate instruction of the type contemplated by section 37. I do not wish to prolong debate on this subject, because we have had some indication already from the minister as to the emphasis which he places upon this section. I am concerned, however, about the method by which the education of adult immigrants may be carried on. I cannot conceive that it is something which should be confined entirely to efforts on the part of the dominion, because it would be very easy for the dominion to run afoul of the rights of the provinces in the field of education.

Mr. MARTIN: We intend to elicit their help.

Mr. FLEMING: That is what I wanted to get at. I should like the minister, if he will, to make a statement as to the thoughts of the administration in regard to bringing about the type of education contemplated by section 37, in cooperation with the provinces, because it seems to me that without the fullest cooperation between the dominion and the provinces in this respect we shall not succeed in fully carrying out the intention set forth in section 37.

Mr. MARTIN: The hon. gentleman is quite correct, and I think I may as well make a statement on our general plans now. First of all, we intend to encourage all existing bodies who are now and have been for some time engaged in trying to impress upon new citizens the nature of the Canadian scene, something about its history, something about their rights, privileges and obligations, and

so on. The work of Canadian clubs in many communities has been so great that I should pay public tribute to them to-day. There has been splendid work by the Daughters of the Empire in many communities, particularly in Ontario. In my own community they have done an exceptional job. Last night I mentioned the work of Mrs. Hamilton whose textbooks for new Canadians, prepared at her own expense, are now being used by the Daughters of the Empire throughout the province. We are going to encourage organizations of this kind to continue that work, and try to persuade other organizations in different communities to take an interest in it as well. In many communities teachers, and others than teachers, conduct night classes at their own expense. There is one in the city of Toronto; there are two in Ottawa, and there are a number in my own city. These people spend many evenings during the year in giving these people instruction in history and that sort of thing, and we shall encourage that. I have already had talks with some ministers of education, and I hope to have talks with all of them, to enlist their cooperation, to get their help and to obtain their point of view so that we can do something along these lines in a very worth-while way. We are giving consideration to the publication of some historical material which we shall ask educational bodies to use. I do not think we should do that work alone; we would rather escape any suggestion that it is done by a government. I believe it should be done by people outside the government. This covers simple facts which perhaps many of us who are natural-born citizens have forgotten.

Mr. FLEMING: What about instruction in languages, too? I think that is highly important. What are the plans for working in cooperation with the provincial educational authorities?

Mr. MARTIN: What does the hon. member mean about languages?

Mr. FLEMING: To assist the adult immigrants in languages.

Mr. MARTIN: In their own languages?

Mr. FLEMING: No; in either English or French.

Mr. MARTIN: There will be instruction in history, in literature and so on. For instance, in some of these classes in my own city actual instruction is given in both French and English. That is also done here in Ottawa. I do not know about Toronto; that is very likely the case there as well, but it is certainly intended to do that sort of thing.

[Mr. Martin.]

Mr. FLEMING: The minister made it quite clear that he intends to encourage the efforts of these public-spirited bodies and groups in the work they are carrying on. I was wondering if he had something more concrete in the way of plans for assisting provincial educational authorities to carry on the education of adult immigrants in history, languages and so on, in an official way, rather than simply leaving it to the efforts of public-spirited citizens and groups.

Mr. REID: Similar to the United States.

Mr. FLEMING: Yes.

Mr. MARTIN: What kind of assistance, beyond what I have indicated? Does the hon. gentleman mean financial assistance?

Mr. FLEMING: I wondered if the minister had any plans. Might I just elaborate on that; it may assist the minister in his reply. We have a dominion-provincial conference going on, in connection with which we hear nothing except about taxation agreements. Many things in the way of co-operation between the dominion and the provinces should be discussed at such a meeting. We do not know whether or not they have been discussed. The field of education is the exclusive prerogative of the provinces, and I think we are all in agreement that it should remain so. The matter of education is properly a matter for provincial jurisdiction; but here we are talking of education which will be available to adult immigrants to qualify them for something the dominion offers, namely citizenship. Has the government in mind any type of cooperation with provincial educational authorities? I am not speaking now of these worthy groups of public-spirited citizens. Their efforts are commendable, but I think they should be supplemented by something in the way of public efforts to assist adult immigrants to obtain the necessary education. Speaking from experience, I have known a number of most worthy adult immigrants from European countries to whom little or no opportunity has been given to learn the languages or the history of this country or how our institutions work, and I am thinking principally of our political institutions. There has been a sad lack of consideration given to the need for education among adult immigrants coming to this country. I think there is a great field there that has not been adequately tapped yet, and I hope that when this bill becomes law it will not simply be left to the efforts of worthy public-spirited citizens, and that there will be a genuine and vigorous effort

on the part of the educational authorities, with the assistance of the department administered by the Secretary of State, to give these people the full opportunity they need to equip themselves for everything that will make them good citizens; because this country, when they do become citizens, will be the better for it.

Mr. MARTIN: I agree; and I thought I had said that we intend to do that. I pointed out that we have already discussed the matter with several of the provincial ministers of education. The act has not been proclaimed. The new citizenship branch has just come over to my department, and we are trying to establish the work along solid lines.

Education is a matter for the provinces, and we would not want to do anything which would interfere with their prerogatives as determined by the constitution. We intend in each province to work in cooperation, doing all we can to give information to potential Canadians along lines that will receive not only the understanding and approval but also the full and hearty cooperation of provincial governments. We have had some discussion with several of these, and I hope before too long the officers of the department and I will be able to continue the discussions with other provinces.

Mr. MacINNIS: After the explanation given by the minister, may I add something to what has been said by the hon. member for Eglinton? I do not believe anyone who has given thought or study to the matter of immigration in the past could but be appalled at the exploitation of immigrants who have come to this country. No attempt whatsoever was made to teach them their duties or to inform them of their duties, obligations and rights. Advantage was taken of their lack of understanding of our customs and institutions.

I believe the intentions of the minister are good, because he is interested in education and the great need for it. But the vagueness of the proposals for meeting these needs would serve to show the inadequacy of anything already done. Something positive must be done so that provincial governments will make this part of their duties. These immigrants are children, in the sense that they must be instructed in the knowledge of the constitution of our country. They must be told about their rights and duties as citizens and their relationship to the rest of the community, so that they will have a clear understanding of such matters

I believe it would have the greatest psychological effect in making good citizens of these people if, immediately upon their coming to this country, they were told or if they were made aware that the state had an interest in them, and was interested in seeing that they had an opportunity to do what was best for themselves and for their adopted country. I hope the minister does not leave this matter with the Imperial Order, Daughters of the Empire, or any other organization. It is too important for that.

Mr. MARTIN: I agree with what the hon. member has said. He and the committee at large may be assured that I have a definite interest in this problem. I have felt that there has been a great lack of interest in these proceedings. We want to help these new Canadians, and to inform them, when coming into this national community, that in addition to duties they will have certain privileges.

I have tried to indicate my position. I do not make this as a personal observation, but simply to indicate the spirit in which we are trying to approach this problem. I should point out that as Secretary of State I have written to every person who has been naturalized since I have become minister, extending to each one a welcome, telling something of Canada and pointing out that now they are here they can consider this their country, just as do those of us who were born here, and inviting them to help in every possible way.

Although we have not yet had full opportunity to discuss the matter with the provinces, we have had discussions with Ontario, Manitoba, Saskatchewan and Alberta, and have moved through their adult educational branches. I am on the advisory board of the adult educational association of Canada, having held that office before I became minister. It is our hope that we may use agencies such as that, as well as provincial departments of education, to carry out a systematic programme of work which will be both instructive and helpful, and in an effort not to leave new Canadians in the lurch. We have no desire to say, "Well, we have accepted you, but with reservations." We want to avoid that kind of impression with its results.

Let me assure the committee that my approach to this problem will not be the result of any vague plan. But before one can have a plan he must have the cooperation of the provincial departments of education. We are proceeding with that preliminary, and when we have succeeded we hope to be in a position to enlist not only the cooperation of departments of education, with our citizenship branch, but the cooperation of agencies and organizations such as the workers' educa-

tional association, the adult education movement and many other worthwhile bodies in Canada who are doing so much good and who are conducted by people who have at heart only the welfare of this country.

I can assure my hon. friend that I shall carry on, on this front, an offensive which, I trust, will meet with the approval of all hon. members.

Mr. REID: Following up what was said by the hon. member for Vancouver East, let me say I agree that there is no more appropriate section before us than the present one. Speaking for the people of British Columbia, I can say they have felt for a long time that something more should be done than has been done in the past. So far as my opinion goes, there is no section in the bill concerning which the minister has been more vague. Certainly he has not taken the members of this committee into his confidence at all, but has spoken only in generalities.

He has painted a very nice picture. He will do certain things for these people, and then there will be an appropriate and beautiful ceremony. Everything will be fine. That is all very well, of course, and they are most pleasing generalities. But after this measure passes, the House of Commons will not have much chance to know what takes place. It will rest with the minister and his officials.

The minister has not taken members sufficiently into his confidence. He should tell us what he has in mind, because, knowing him as I do, I have no doubt he has given some thought to what type of ceremony, what kind of education and what kind of test will be given these people, so that they will know more about the country before they are given certificates.

People come to Canada from thirty-six different countries, the political philosophies of many of which are entirely different from those held by hon. members. Has the minister given any thought to what is done in the United States? Over there they outline what a man must know before he is given a certificate of naturalization.

Mr. MARTIN: I have tried to explain that, and I have said we are going to carry out the same procedure; if not, better.

Mr. REID: In the United States it is in their act.

Mr. MARTIN: No.

Mr. REID: We are only giving the minister power to do what he likes.

Mr. MARTIN: No; the hon. member made that statement earlier, and it is not correct.

[Mr. Martin.]

Those regulations were not included in the act when it was passed. They were supplemented years later.

Section stands.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

MOTION FOR SECOND READING OF CERTAIN DIVORCE BILLS

Mr. RALPH MAYBANK (Winnipeg South Centre)—(for Mr. Boucher) moved the second reading of bill No. 37 for the relief of Marie Evelyn Dormer.

He said: Mr. Speaker, there are two other bills of the same sort if you desire to take them at the same time.

Mr. SPEAKER: Mr. Maybank moves the second reading also of bill No. 48, for the relief of Margaret Ruth Weir Allan, and of bill No. 18, for the relief of Juliana Edmonda Isabella Ferdinanda Becquaert de Beaujeu.

Mr. MAYBANK: I desire to say a few words with reference to these bills before they are given a second reading. So far as I am concerned I am in favour of a general divorce law and I am in favour also of these particular laws being passed at this time. But I am not favourable to the procedure which we have followed since, I think, time immemorial and, speaking on the second reading of these bills, I desire to place on record my views.

As every person knows we have substantially the same divorce law across Canada except in one province, and it is the same divorce law that is administered in the senate of this parliament when these matters are considered there. There is no general divorce law in the province of Quebec. It has developed since some time past that whenever adultery is committed in the province of Quebec and the outraged husband or the outraged wife wants to do anything about it, he or she comes to the parliament of Canada and asks the parliament of Canada to pass a special law, among all the other statutes with which it has to deal, giving her relief as it is called, in the event of a female spouse coming forward, from continued association with her adulterous husband. That occurs one hundred times, two hundred times, three hundred times a year—not the adultery, may I say in reply to a query from behind me, but the applica-

tion for a law of divorce. It seems to me, sir, that it is not a proper part of the duties of the parliament of this nation to be continually considering, in the midst of its important business, these trivialities. I do not think we should continue to invite petitions of this sort and deal with laws of this sort. If the people of the province of Quebec want a divorce law to be applicable there and do not want to set up divorce courts their views should be respected. I am not suggesting for a moment that any person should even attempt to foist divorce jurisdiction on an unwilling province, whether it be Quebec or any other province. But so far as John Doe and Richard Roe and their spouses are concerned, when they went to Quebec they knew there was no divorce law in that province, and if infidelity occurs on the part of the spouses of either of these men I do not think they should come to this parliament and ask us to pass a special statute to declare unmarried those who theretofore had been married. I believe that we shall never get away from this sort of legislation, improper for this parliament to be dealing with at all, until we make some sort of declaration that this sort of petition will not hereafter be entertained and that petitions of this sort cannot be received by this parliament with any chance of being acted upon.

I would not be in favour in the given case before us of saying no, we will not pass this law, because, after all, we have, by our past practice, been inviting these people to file these petitions, and by the time such a bill reaches a second reading in this chamber the individual concerned has probably spent a great deal of money, and to throw out a case then would be a great hardship to the petitioner. But if some declaration were made in this parliament, that it was improper that these laws should hereafter be passed these petitions would not come forward thereafter. People would be warned, and they would thereafter be advised not to file a petition with the parliament of Canada because in all probability it would not succeed.

When this matter came up last year the Minister of Finance (Mr. Ilsley) who was then leading the house, having heard the statements made by different members of the house against passing these bills, said in effect: That is all very well, but the same complaint comes up year after year, when some member rises and declaims against divorce in general and some against divorce in particular but nobody has ever offered any concrete proposal to the government as to what it should do except to follow the course that is being followed. Probably there is merit in that sort of objection by the Minister of Finance. Therefore I should like to suggest that what this parliament should do if it wants to give relief to the minority in the province of Quebec which desires to have a divorce law is to set up an organization which, for want of a better name, we shall call a court sitting here perhaps in the city of Ottawa or somewhere on the right bank of the Ottawa river; and this court could deal with these cases in the same fashion and under the same procedure as they are dealt with in any court in any other part of Canada. It might not, perhaps, pronounce divorce. It might be objectionable to have a court in Ontario pronouncing divorce on people in another province; it might be so; I am not sure that that is the fact. But at any rate that court could proceed as though it had power to decree divorce; it could hear the evidence; it could have at its command the usual officers of a court who might be able to check up where any checking up was necessary; and perhaps, at the conclusion of its hearing, instead of passing a divorce decree it could recommend that there should be a divorce declared. Upon that sort of inquiry, and where that sort of recommendation was given respecting whatever number of cases might come before it, in such a case as that, this parliament could act and not take up time in the same way as has been the case hitherto. That court could have a certain number of officers; it could have the usual court machinery.

Any person who has been reading the divorce proceedings which come before this parliament year in and year out—if anyone were stalwart enough to stay with it year in and year out—would be bound to declare that these divorces in large measure are probably not what they seem, not what they purport to be. In all these cases, for example, the usual declaration in this sort of law is made, that there is not any collusion between the parties Well, in the provinces where there is divorce jurisdiction, when there is a suggestion of collusion the judge acts on it and refers the case to the attorney general of the province, and there is some chance of investigation. But in the way we are now dealing with the matter there is no chance of investigation. Once the declaration is made, that settles the matter. Moreover, there is not any waiting period; when the decree of divorce is granted here it is both original and final at the very time of the declaration. As a matter of fact, I believe the only sort of thing that could be done in a case where a fraud was perpetrated upon what we might term our parliamentary court would be an action in the nature of a perjury charge.

But where there is a court, with the usual court machinery, and where there is an attorney general to whom matters of this sort can be referred in his capacity of king's proctor, as it is called, there is some chance of seeing that there is not a fraud on the procedure.

I should not like to charge any particular person who has secured a divorce from the parliament of Canada, but these cases are so similar, peas in a pod not being more similar than these cases, that it is very difficult for any person to believe that there is not collusion between the parties. As a matter of fact, you get the records of evidence of these divorce cases sent to you and they are fastened with a little wire staple. If that wire staple were ever to come out and the pages got lost you would not need to worry about it; you could put in any of the pages out of any one of the other books.

Mr. CRUICKSHANK: Did you read the Montgomery case?

Mr. MAYBANK: The one the hon. gentleman refers to is distinguished by a few characteristics which are not common to most of them. I do not know to what case he is referring but I know what he said about it is correct. You can shuffle these pages around; you can take page 18 out of book 95, insert it into book 96 and then read book 96, and you will not even notice that you have the two cases mixed up. They are all just the same.

Mr. MacINNIS: Mr. Speaker, I do not want to stop the hon. member, but I wish to raise a point of order. The hon. member is discussing divorce cases in general. What we have before us is a particular divorce case or divorce cases. Supposing we had a bill here for the building of a bridge; I do not think it would be in order to discuss bridges all over the world as something pertaining to this bill. I suggest to you that all this discussion is out of order.

Some hon. MEMBERS: Oh, oh.

Mr. MAYBANK: Mr. Speaker,—

Mr. MacINNIS: We are not here to be amused. May I have your ruling, Mr. Speaker?

Mr. MAYBANK: I had desired—

Mr. SPEAKER: The hon. member has a right to speak on the point of order.

Mr. CRUICKSHANK: Do they have divorces in Japan?

Mr. MacINNIS: We will send the hon. member for Fraser Valley (Mr. Cruickshank) there to find out.

[Mr. Maybank.]

Mr. CRUICKSHANK: Oh, no; you people already have your expenses paid there. That will hold you for a while. You had all expenses paid over there. Oh, yes, you did.

Mr. MAYBANK: If the hon. member for Vancouver will permit me—

Mr. CRUICKSHANK: Vancouver East.

Mr. MAYBANK: If the hon. member for Vancouver East will permit an interruption of the discussion on Japan, I wish to say just a word on the point of order which he has raised. I submit, sir, that the particular bill which is before the house—

An hon. MEMBER: "Bill"?

Mr. MAYBANK: The particular bill for the relief of this person who ought to be a litigant is based upon certain principles, and it is those principles I am discussing. He raises the question that if we were discussing the building of a bridge one should not be permitted to talk about the general principles of bridge building all over the world or in some place away from the particular situs of the bridge to be built. I submit he is quite wrong in that, because after all even such a type of discussion as that could easily come within the four corners of the matters to be considered in connection with the particular bill itself. It seems to me that surely in discussing whether or not we shall pass a bill, shall make a law which is a divorce, which is a particular divorce, it is germane to that subject to discuss the general principles of divorce itself and the procedure whereby divorce is obtained. I submit, sir, that I am entirely in order, but of course I shall bow to your ruling upon the point.

Mr. IRVINE: I should like to say one word with your permission, Mr. Speaker, on the point of order. I suggest that if the hon. gentleman wants to prevent divorce bills from coming before this parliament he has every right to bring in such a bill, but the bill before us now is to give relief to a certain petitioner. I wonder if he is in favour of the relief or not. That is what he should be talking about. But what he is talking about is whether parliament has the right to discuss such a bill as this.

Mr. LOUIS RENE BEAUDOIN (Vaudreuil-Soulanges) (Translation): Mr. Speaker if I remember rightly, during the last session the leader of the party with which is associated the hon. member who has just raised a point of order did himself raise an objection, at the very moment when the house was called upon to vote on a large number of divorce bills. The

same thing is happening to-day. At that time, as I recollect it—and I ask the hon. members to correct me if I am wrong—the leader of the C.C.F. party (Mr. Coldwell) in raising objections about the divorce bills that had been introduced, did not limit his remarks to the bills placed on the orders of the day, but he also discussed the procedure and all the circumstances which surround the introduction of such bills, as well as their passage in the senate, in the divorce bills committee and in the house of commons. That is why I have risen to speak on that point of order. My purpose is to remind my hon. friend that he should merely follow the course taken by his leader in this connection. To my mind, the hon. member who has the floor does not transgress the rules of the house in discussing the matter the way he does.

(Text):

Mr. SPEAKER: The hon. member is perfectly in order in discussing the principle of divorce in connection with these bills. He is drawing the attention of the house to the fact that a number of divorce bills come from the province of Quebec, the only province in which there is not a divorce court, and he is discussing the question whether it would be wise to take steps to correct a situation which may need to be corrected. These remarks are relevant to the bills actually before the house.

Mr. MAYBANK: I have noted, Mr. Speaker, your remarks to the effect that nearly all these bills come from the province of Quebec. I think I should hasten to say that this large number of divorce cases that have been coming to parliament for the last two or three years do not come exactly from the province of Quebec in the sense of being scattered throughout that province. They come, almost all of them, from one part of Quebec, the large city of Montreal, and it would seem that the general level of virtue of other parts of the province of Quebec than the city of Montreal is very much higher.

Mr. ABBOTT: A wholly unjustified conclusion.

Mr. MAYBANK: The Minister of National Defence appears to take umbrage at what I have said. I am willing to tell him that a member from another part of Quebec to whom I made a similar statement, said, "Oh, no. I think your conclusion is unjustified. The fact of the matter is that, in the community in which I live, we just don't bother about that." They are more touchy in Montreal.

I was saying, at the time the point of order was raised, that there is so great a similarity in these cases that there would appear to me to be collusion, and that, I submit, is due to the very nature of the system itself, the plan we are following. If you take the evidence from one case and insert it into the book giving the evidence of another you will not find any difference. It reminds me of what G. K. Chesterton said of the writings of Charles Dickens, that he had not written a series of novels but a mythology, because you could take any one of his characters from any one of his books and put him into another book and he would be perfectly at home. Those who are devotees of Dickens would agree, I believe, that Micawber could have been just as well in "Bleak House" as in "David Copperfield," and various other characters could be taken from their present settings and put somewhere else.

However that may be, that is something of the general nature of the cases as we have them before us under the system we are following. Therefore in moving bills for the relief of the persons concerned, I make a representation to the government that it should now give consideration to a different method of handling this particular problem. I suggest that we might have a court set up here, or something in the nature of a commission, to deal with these cases, and it could submit its report to parliament and that report be acted upon.

So far as the particular cases are concerned, I do not think it would be fair to rule them out, and for that reason, as chairman of the committee that handled these matters, I am moving the second reading of these bills. If we were to throw out particular cases by reason of the general objection to this way of handling divorce it would work a hardship, and I should not desire to see that. I desire, however, to see the government try to find a different way of handling the problem so that we might get away from what is, I suggest, becoming farcical—the method by which we have so far been handling the divorce problem.

Mr. W. G. CASE (Grey North): Personally, Mr. Speaker, I am not opposed to divorce, but I am opposed to the two bills we are considering for second reading, in common with all the bills of the same nature that come before this parliament. I find myself in agreement with the hon. member for Winnipeg South Centre (Mr. Maybank) inasmuch as I believe that the method employed is wrong. I feel, if my hon. friend who is sponsoring the bills would cease interrupting me—

Mr. MAYBANK: I rise to a point of order. I have never at any time interrupted the hon. gentleman. I am the sponsor and I never interrupted him at all.

Mr. CASE: The name of the hon. member for Carleton (Mr. Boucher) is associated with two of these bills on the order paper, and I did not intend that the member for Winnipeg South Centre should receive the rebuke, so to speak, implied in what I said. I was looking at the bills and the name of my hon. friend and deskmate was associated with two of them.

I suggest, Mr. Speaker, that if anyone wishes to inform himself on this question, if he will take the forty-seventh report of the senate of Canada with reference to the petition of Edward Mortin Montgomery for a bill of divorce from Edna Maud Wolfrey Montgomery he cannot help feeling that there must be, as the hon. gentleman who has just spoken has said, some degree of collusion, because here you have a man who admits he is the co-respondent and who stands up and brazenly admits facts before a committee of the senate.

An hon. MEMBER: Quote the evidence.

Mr. CASE: I would, naturally, hesitate to repeat the evidence. I am not familiar with the method employed in securing such evidence but I make this suggestion. I am not going to join with my hon. friend in suggesting that there is more virtue in other parts of Quebec than there is in the city of Montreal, but I feel that there is some concern about the disposition which is made of the children of a union, and as I read the evidence from the senate committee, I have yet to find any place where, in the past, there has been any disposition made, any security offered for the children. I understand that this feature of the application is settled before they appear before the senate committee; that there has been a bill of separation under which certain payments are required to be paid by the applicant, and that in all probability he is seeking not only relief in the matter of dissolution of his marriage but relief from these payments which he has been required to make.

As a newcomer I would not wish to present my views in parliament in a dogmatic way, but I have said before there must be some more practical method employed which will seek to secure the evidence, place it on record in a proper court where disposition of the case can be made, where security can be guaranteed for the children, thereby raising the whole divorce problem to a higher level. I feel that I should make these observations with respect to the bills we now have before us. When the bills come up for second reading, instead of an ordinary doormat being made of the House of Commons, we should be completely informed of all the circumstances. These bills should not be run through as if in a mill, because we may be doing something wrong. I feel rather conscious about this. I hope when the time arrives that I have to make my decision I shall be able to make it intelligently. I make these observations for the consideration of the House of Commons, as did the hon. member for Winnipeg South Centre, in order that parliament may give consideration to some method to set up a national divorce court, not necessarily along the banks of the Ottawa river but somewhere where people can go to obtain relief and a sense of security for the children.

Mr. WILLIAM IRVINE (Cariboo): Since it is in order to discuss whether or not we should have divorce bills brought before this parliament I wish to say a word. Twenty years ago I was very much interested in this question—

An hon. MEMBER: You are older now.

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: I am glad, Mr. Speaker, that I amuse the house unwittingly, but I can assure the hon. gentlemen that from the point of view of what is in their minds I am still interested. The records will show—

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: I still say, sir, that the records of this house will show that the late Mr. J. S. Woodsworth put up a strenuous fight, and I helped him the best way I could, to have all divorce bills removed from parliament, because the whole procedure was a travesty of justice. This parliament is not organized to consider properly and thoroughly the cases that come before it in that way. There is no provision made for the care of the children who may be involved. The courts of the provinces are the proper places to which to discuss these cases. I still hold the view I held twenty years ago. The fact that I raised no objection to the bill does not mean that I am satisfied that this is the best place to discuss divorce bills. We managed to have the divorce cases of all provinces except those of Quebec taken out of parliament. This parliament must take the responsibility for not removing these cases also. I suggest to you, sir, that it is high time that all divorce cases be removed from parliament. Hon. members who decided to discuss the procedure of this house in matters of divorce, instead of discussing the actual bill before us, should bring in a bill or resolution to deal with this matter separately and have it finally removed from parliament.

When that bill or resolution is brought down I am sure that hon. gentlemen opposite will vote against it.

Mr. G. A. CRUICKSHANK (Fraser Valley): I should like to say a word on this matter and to make myself understood by the hon. member for Cariboo (Mr. Irvine). One of the things the people of my riding cannot understand is how I take advice from him. Another thing they cannot understand is why we have no time to discuss such vital things as subsidies on milk and—

Mr. SINCLAIR (Vancouver North): The price of strawberries.

Mr. CRUICKSHANK: Yes, and such vital things as—

Mr. BOUCHER: The red curtain over peaches.

Mr. CRUICKSHANK: We can take time in and out—but I have only twenty minutes to fill in—to discuss divorce bills. I am getting a lot of assistance around here. We can take all this time to discuss divorce bills but we cannot find time to discuss other vital matters. I want the hon. member for Cariboo to know that I was not elected to come here and discuss divorce bills. I am neither competent nor have I the time to do that.

An hon. MEMBER: You are not competent.

Mr. CRUICKSHANK: My hon. friend here says I am not competent. Probably the reason I am not competent is that I come from the most beautiful spot in the Dominion of Canada. Hon. members may have heard of Atlantic City; they also may have heard that once a year a competition is held to discover Miss America. I wish to explain to you, Mr. Speaker, and, through you to the House of Commons, that each and every fair girl in the Fraser Valley is a Miss Fraser Valley far surpassing any Miss America in Atlantic City. We do not have to worry about anything like that.

Some time ago this government, of which I am a supporter, brought in legislation not to encourage divorce but to discourage it. They did everything they could to promote family life. Of course I am speaking of family allowances. Why should we have divorces? May I say that at any time I will vote to prevent divorce bills from being brought before the House of Commons.

Having had some experience with lawyers, which always cost me money because they generally lost my cases, I can understand their point of view. I can understand the hon. member for Carleton (Mr. Boucher) because I sympathize with anyone who has to live in Carleton. I was coming down town on the street-car this morning. As hon. members know, the street-cars are crowded in Ottawa. I left around half-past seven o'clock to get down to my office at eight o'clock. The street-cars are old. What I have to say has some connection with these divorce cases. As I entered the car I noticed a dear old lady with grey hair sitting in a comfortable seat. She saw me get on and that I had no seat, so she got up and gave me hers. It was one of the old cars they got from Toronto; and any time you get anything given you from Toronto you can be sure it is old. Any hon. members who travel on the Bank street-cars know they are old; this particular seat was worn out, and there was a hollow in the middle. When this very dear old grey-haired lady got up to give me the seat I noticed that in the other half of the seat there was a very pretty girl; and I had to slide into the seat. According to the evidence I read in one of these cases from Montreal, that could have been grounds for divorce. That is why I think every one of these cases should be explained, because they are not all the same.

What I started to say was this. I can understand lawyers doing a lot of things, because if I were a lawyer I would do them myself. If you are a lawyer you get $50 for the first hour; after that there is a discount and the client is charged only $37.50 for the next half-hour. But I cannot understand the names of hon. members appearing on the order paper in this connection. I see after bill No. 37 the name "Mr. Boucher" and the initials "E. F."; I do not know what that means. I understand the hon. member for Carleton sponsored this bill. I can never understand why a member should sponsor a divorce bill in this house, because to me it is a very serious thing to sponsor anything. For instance, I am sponsoring higher prices for everything the farmer produces, but I do not get a chance to say so here; I am called out of order if I say we should increase the subsidies on milk and strawberries and peaches, and so on. This is very much in connection with divorce, because at the time I happened to mention peaches I had a letter from a farmer in Ontario. In this province they put a little gauze over the peaches, and this producer in writing to me said that this gauze reminded me of much of the evidence in these divorce bills.

That reminds me that I came through Alberta the other day. I have often wondered as to the grounds for divorce. I have been to Toronto; I have even been through Saskatchewan, so that I can understand why there should be divorces in some parts of

Canada, but I can never understand why there should be any suggestion of divorce in Alberta. Next to the Fraser valley Alberta is one of the finest districts you could ever see, Mr. Speaker, and I hope you will visit it some time. Out in Alberta you are right under the foothills.

I wish to speak about the McGregor case; perhaps I should go into the details of it. It was always my understanding that bills coming before this house were supposed to be studied and read by all hon. members. For instance, I am perfectly well aware of the fact that the hon. member for Vancouver East and the Secretary of State never read that section of the bill we were discussing this afternoon before it was brought in here. If they had read it before they would have realized that something was wrong, and could have come to me to have it fixed up. In my opinion, every bill that comes into this house should be studied and read. I have not had a chance to study this bill No. 37 introduced by the hon. member for Carleton, but I did have time to read the McGregor case, and I want to suggest that this case should be read by every hon. member. The McGregor case, or maybe it is the Montgomery case—I know it was a Scotch name—was a wonderful case. I have read all these bills, for the reason that I am interested in this matter. For two years I represented the riding of Vancouver North, in addition to my own riding, while my good friend and room-mate was overseas. Those hon. members who have been overseas, particularly those who have been in Sicily or in Africa, know how desolate it is out there in the desert, with nothing to do but watch the sand drift by. In order to keep my hon. friend well informed I would send him copies of *Hansard*, so that he might have something to read to his fellow members of the air force. But I knew *Hansard* was not very interesting, because so often it contained the remarks of the C.C.F. members, so that I used to send him these divorce bills. On them I always marked, "With the compliments of George Cruickshank", and my name became so familiar overseas that when these men returned home they automatically voted for me.

Speaking particularly to bill No. 37, I should like to ask the hon. member for Carleton a few questions. Are there any children in this case? If so, how many? How old are they? Are they under proper supervision and care if this divorce should be granted? How long has the hon. member known them?

Mr. SPEAKER: Order. I have allowed the hon. gentleman a great deal of latitude to make his point and discuss the divorce bills which are before the house, but I think he is pretty far away from them now.

Mr. CRUICKSHANK: I was just coming to that, Mr. Speaker.

Mr. BENTLEY: If I may ask the hon. gentleman a question, I was just wondering if in the few minutes left at his disposal he would be disposed to make a recommendation that a divorce be arranged between the Canadian wheat board and the Winnipeg grain exchange.

Mr. CRUICKSHANK: That question is out of order, but I will answer it when I am through asking these questions. Perhaps, however, after the hon. member for Carleton has given me this information, it will be possible for the hon. member who asked me the question to tell me when there will be a divorce between the Labour Progressives and the C.C.F. party.

Some hon. MEMBERS: Oh, oh.

Mr. CRUICKSHANK: Well, I should like to ask the hon. member this question in connection with this divorce.

Mr. MATTHEWS (Kootenay East): I should like to ask, Mr. Speaker, if the hon. member is to be permitted deliberately to obstruct the business of the house. Some time ago he admitted that he had only twenty minutes to speak, to waste. I wish to speak on this divorce matter, not in the foolish manner we are now listening to but seriously, and I find I am not going to be able to take a few moments to express myself.

Mr. CRUICKSHANK: I object to the point of order.

Mr. SPEAKER: Order.

Mr. MATTHEWS (Kootenay East): Through you, Mr. Speaker, I am asking if an hon. member is to be permitted deliberately to obstruct the business of the house, as the hon. member is doing.

Mr. CRUICKSHANK: On a point of privilege, I am accused of deliberately doing something.

Mr. SPEAKER: Order. Has the hon. member finished stating his point of order?

Mr. MATTHEWS (Kootenay East): Yes.

Mr. CRUICKSHANK: The hon. gentleman is a very good friend; as a matter of fact he belongs to the same faith that I do, and I forgive him a lot. He imputes things to me which I know he will regret to-morrow. I am sure he would not want to deprive

either the member for Fraser Valley of the opportunity to ask a few questions, or the hon. member for Carleton of the right to give the answers. I have already given an answer to my good friend. Long before you were even nominated, years before you were elected, I was speaking in this house and opposing the principle of divorce bills. So far as I am concerned, I have given an assurance of what I will do, if this ever comes to a vote.

If the house will just let me alone for a little while, I will return to a discussion of the point raised by the hon. member for Carleton. If my good friend had been elected when I was—and I have been here for years and years and years—

Mr. SPEAKER: Order; the hon. member should address himself to the Chair. I would ask him to confine his remarks to the bills before the house.

Mr. MATTHEWS (Kootenay East): I rise to a point of order, and ask for a ruling on my question. If an hon. member in the house is permitted deliberately to obstruct the business of the house, as the hon. member is now doing—

Mr. SPEAKER: The hon. member has not given proof that the hon. member speaking has been trying to obstruct the business of the house. The fact that the hon. member said that he had twenty or twenty-five minutes ahead of him is no indication that he is trying to obstruct. But I would say to the hon. member for Fraser Valley that it is his duty to discuss the bill, and only that.

Mr. CRUICKSHANK: I apologise, again. What I meant when I referred to twenty minutes, when I made that observation, through you, sir, to some of the uninformed members, was that private bills go on only until nine o'clock. I am sorry, but Your Honour has probably not had experience enough to understand me.

However, I should like to address the Chair, and the hon. member for Carleton, through you, sir. How many children are there in this family? How old are they? Has proper provision been made for their care in the future? Are they boys and girls?

An hon. MEMBER: Boys "and" girls?

Mr. CRUICKSHANK: Are there any immediate relatives? That is all I have to say.

Mr. G. RUSSELL BOUCHER (Carleton): Mr. Speaker, it is customary when a member sponsors a bill of this kind for him, before doing so, to verify the propriety of the bill and the regularity of the procedure.

As the hon. member for Fraser Valley (Mr. Cruickshank) may know, it is customary to have divorce bills introduced in the senate and to have them reviewed by a committee of the senate. Evidence is taken by that committee, and it is available to any member of the House of Commons who wishes to look at it After a divorce bill has been passed by the Senate, it comes to the House of Commons, at which time a member of the house on behalf of the solicitor or the applicant, is asked to sponsor the bill

When the hon. member for Fraser Valley was speaking, perhaps he had in mind those fine-looking girls from the Fraser Valley, and was confusing them with the peaches concealed behind the red veils on peach baskets. Perhaps he got lost behind the veil, when he has been thinking of those good-looking girls from the Fraser Valley. It will be noted that the hon. member used the expression "came from", and because of that I would judge he has not been able to see any other good-looking girls who have remained in the Fraser Valley.

I do not think it would be wise at this time to discuss the principle of divorce bills. Rather, I would refer the hon. member to evidence taken in the senate. I do not think we would be enhancing the prestige of parliament if we were to discuss the impropriety of bringing divorce bills before the house in this fashion. The fact of the matter is that Quebec does not have divorce courts, although I believe if they wanted to they could have them. Further, I believe it is the wish of Quebec that this parliament, not the local legislature, should handle their divorce bills. I believe, too, that if divorce is possible in some communities we should not make it impossible in others. To those hon. members who object to the procedure in this chamber, a procedure which they may wish to describe as slip-shod, let me say that the facts of these cases have already been considered thoroughly by the senate committee, a committee composed of competent members of that house, who have recommended certain action to the House of Commons.

Each year since I have come to the house, and I believe for many years before that, the same argument has been raised by way of criticism of the manner in which we pass divorce bills. Those very members who are loudest in their criticism are the ones who are most guilty of delay; neither have they brought before the house any constructive or acceptable suggestion as to a better method of proceeding. I would recommend, therefore, that in future those members who wish to criticize procedure in connection with

divorce bills in this house should rise in their places and recommend a better one. Let us have the details of any such plan, because in these critical times I do not think the people of Canada like to see their members of parliament repeat year after year almost the same objections, while at the same time failing to offer any cure.

I believe we may very well rely upon the senate committee to use good discretion in deciding whether or not divorces should be granted. Some hon. members say that a reading of divorce bills leads one to the belief that there is collusion in all of them. That, of course, is a reflection upon anyone who recommends that they come before this chamber. It is an aspersion cast upon the other house, which has approved the bills that are now before us. It casts a reflection not only upon the members involved, but also upon the solicitors.

If hon. members will reflect upon the very narrow grounds for divorce permitted in this country, they will realize that, of necessity, the evidence in each case is of a most limited nature. I do not think we as members of the House of Commons would be well advised to cast reflections upon applicants in divorce cases by offering the opinion that they are guilty of collusion, when we do not know the facts, and have no just reason for being suspicious. If there is collusion, that is sufficient to nullify any application for divorce, and there is punishment provided for those who are guilty. But let us not leave this chamber with the idea that in the majority of divorce cases there is collusion.

CANADIAN CITIZENSHIP

NATIONALITY, NATURALIZATION AND STATUS OF ALIENS

The house resumed consideration in committee of bill No. 7, respecting citizenship, nationality and naturalization and status of aliens—Mr. Martin—Mr. Golding in the chair.

The ACTING CHAIRMAN (Mr. Golding): When the committee rose at six o'clock we were discussing section 37.

Mr. REID: We were discussing the kind of ceremonies which would be held, and the questionnaires and examinations which would prevail when those applying for citizenship would appear before the courts. I had asked the minister if he had studied the United States scheme, and I had reminded him that people from about thirty-six countries were now citizens over there, a condition similar to that obtaining in Canada. My opinion was that in no country comparable with either the United States or Canada was it more important that we should educate peoples coming from other countries.

I wish to go on record in this matter because, once this bill goes through—it is not parliament that will have anything to do with the matter but the regulations, and everything pertaining to the measure will come under officials and under the hand of the minister. I would remind the minister that, despite all the good assurances and promises he might give to the committee, a minister's term of office expires at some time or another and a new minister takes his place, and then all that is said, all the promises made here are gone. It is what is in the statute that governs.

I wish to draw the attention of the committee to the practice which has been followed for many years in the United States and which over the years has worked to good advantage. They have what are known as educational schools; they set a uniform examination all over the country, so that no matter what the state in which the applicant resides the examinations and answers are along the same lines from the Atlantic to the Pacific. I quote from section 356 (3) of the nationality act of 1940 of the United States:

> The purpose of the educational examination shall be to determine whether the petitioner has a fair knowledge of the fundamental principles of the constitution and is qualified to assume the duties and responsibilities of a citizen of the United States. To this end the petitioner may be questioned as to (1) the principal historical facts concerning the development of the United States as a republic; (2) the organization and principal functions of the government of the United States, and of the states and local units of government, and (3) the relation of the individual in the United States to government—national, state, and local, the rights and privileges growing from that relationship, and the duties and responsibilities which result from it.

To guard against the examination being too difficult there is this proviso:

> Every care shall be exercised to avoid abstruse, technical, irrelevant, and extreme questions. The language level of the questions shall be suited to the particular petitioner having regard to his educational background and the extent of his knowledge of the English language.

I bring that to the attention of the minister and the committee because I believe there is a great deal of merit in it. I think every hon. member must have had representations made to him by our own people who have criticized the method of handing out naturalization papers in the past. I have attended many courts on behalf of applicants for naturalization and have heard them being asked three or four questions: Who is your sponsor? How long have you been in this country? Are you married or single? Do you owe any

money? The last is usually one of the questions asked. When these are answered the recommendation for granting papers goes forward to Ottawa. It is all very well to talk about a beautiful ceremony and a big crowd of people turning out on the day the certificate is granted. That is all very nice, but I maintain that there should be some preparation of the applicant for citizenship, the very fact that he has to do a little studying will make him cherish his certificate more when he gets it than he does under the present system. I am keen about this matter and I would ask the minister to consider this suggestion seriously. He should at least tell the committee what the questions are likely to be because he must have given this matter some study. I am just afraid that the questions may vary from one province to another. But if we are looking for one citizenship all the applicants should be treated alike and there should be one system in effect from one end of the country to the other. I hope the minister will give this suggestion serious consideration.

Mr. KNIGHT: I was interested in the statement made by the hon. member for Eglinton just before the dinner recess. I agree with him very largely. I wondered as he spoke whether he believes that the possession of a certain standard of education should be a condition of the acquisition of citizenship in this country by those whom I think we term "new Canadians"?

Mr. FLEMING: I did not say "new Canadians"; I said "adult immigrants".

Mr. KNIGHT: I think that is a much better term. I was going to observe that the term "new Canadian", if it had been used by the hon. gentleman, which it was not, is an unfortunate name for them, because the term is liked least by those to whom it best applies. I would point out to my hon. friend and to the hon. member for Vancouver East that it is very difficult indeed to make adult education available to all newcomers because most of them get out into the remote parts of the country and are not economically very well off. They spend their time on homesteads and marginal farms, where they have to make their living far removed from the educational advantages enjoyed by those living in the cities. It may be easy enough in large cities like Toronto where people live closer together to have this type of instruction. Such a class I know was conducted in my own city for many years by a very fine and talented lady who unfortunately has been called from amongst us. But such voluntary efforts, as someone has said, will not fully solve the problem.

I know the minister is in a difficult position when somebody asks him for a sort of standard school for citizenship throughout the dominion. I would point out to the hon. member for New Westminster that there is a danger in that type of standardization because the questions or an approximation of them are sometimes likely to be known beforehand, so that an ability to answer such questions does not necessarily mean very much.

May I say in passing that we are apt to overlook the cultural background and the cultural contribution that is made by a great many of these newcomers. When we do not understand another person's language we are apt to misunderstand him and I am afraid that in the past we have even been inclined to despise him. These newcomers have much to offer. We have, for instance, in this country many of the finest medical men and surgeons who have come to us in recent years from Europe but to whom we deny the right to practise their profession. I shall not go into the reasons for that, but it is not a good example of how democracy works.

In talking about democracy, I wish to make it clear that I do not want to be objectionable or give offence to any member of the house or anybody else but when an hon. member, a member on the government side or on any side of this house, rises up to speak for the purpose of blocking a private member's resolution saying, and I quote—

I have only twenty minutes to waste.

—may I suggest that the people of this country, looking down upon such a scene from the galleries of this house—

The ACTING CHAIRMAN (Mr. Golding): Order. The hon. member must confine his remarks to the section.

Mr. KNIGHT: I am talking, sir, about adult education, which is more than the hon. gentleman did. May I suggest that the people of this country, on reading the debates recording such a scene in this House of Commons, must feel that it is not only the newcomers in this country who are in need of adult education. I would blush for shame if some of these newcomers could look in here and see democracy at work in this way. Now, sir, in order or out of order, I am as sincere as any man can be in this regard, and I say to you that there is something wrong with the procedure in this house. I am only a newcomer, but I come here from the constituency of Saskatoon City—

The ACTING CHAIRMAN (Mr. Golding): Order. The hon. member is entirely out of order in dealing with a matter of this kind under this section, and I hope he will not persist.

Mr. KNIGHT: I shall merely say this about adult education, that we are in need of it, and that we are grown men and not children, and this house and this country can judge the things that I would have said had I not been declared out of order here to-night.

Mr. HLYNKA: I am in wholehearted agreement with section 37. I desire, however, to make a suggestion or two. I should like to say something on this section from the point of view of one who was naturalized. I believe that those who have spoken in this debate thus far, or most of them, are those who have extended the privilege of naturalization to others. I happen to be one of those who was naturalized through his father.

I entirely agree that the procedure of naturalization should be improved as the minister intends to do under this bill, and that it should no longer be just a matter of routine business to grant naturalization certificates to applicants. But it seems to me that the texts which have been prepared and suggested to the minister, although prepared in all sincerity, are perhaps somewhat too advanced. I have a copy of one of the suggested texts, and I picked out a number of questions to indicate what type of questions may be put to applicants for naturalization. Here are a few:

1. Do you believe in the separation of powers as outlined in the constitution?

2. What are some of the principles of the British North America Act?

3. Mention some kinds of property that are free from taxation.

I wonder what they are.

4. If a grand jury does not bring an indictment can the accused person be held for trial?

5. What are the three kinds of work to be done in governing of a country?

After listening to the dominion-provincial conference discussions, I wonder whether some people in this chamber would know how to answer that question.

6. Explain how a bill becomes a law in Ontario.

7. How is the Speaker of the house chosen?

8. In what way is the number of members in the House of Commons determined?

9. What must a good government have?

Mr. MacNICOL: A Conservative majority.

Mr. HLYNKA: And the last question:

10. What are the divisions of power given by the British North America Act?

[Mr. Knight.]

Those ten questions, Mr. Chairman, have been picked out from this text, and I personally wish to congratulate the women of the Independent Order of the Daughters of the Empire for having prepared it. It is a good text. But it has been prepared from the point of view of a person who already speaks the English language; and we must also remember that a number of our newcomers will settle in western Canada where, perhaps, they will not have the same facilities to learn the language quickly as people who live in cities.

I am afraid that if one of these texts is authorized as a text for the preparation of these applicants, and if it is made too difficult, a number of people may find it too advanced. So I suggest to the minister that great care be taken to simplify this material. As far as the questions are concerned which are embodied in this text and in another one, presented by the Canadian club of Winnipeg —I have a copy of it also—I suggest that these texts be simplified. So long as the principles of democracy are embodied in them, so long as we give these prospective citizens an understanding of our aims and the fundamental principles of Christian democracy, I believe that should be sufficient.

I should like to draw a comparison between the questions which appear in this text and some questions which I have picked at random from the Gallup polls. According to several surveys conducted in 1945 in Canada by the Canadian Institute of Public Opinion, known as the Gallup poll surveys, for the purpose of gauging a knowledge of public affairs of Canadian citizens of voting age, the following facts were revealed:

1. That 5 per cent could not name the capital city of Canada. These are our own citizens of voting age, and 5 per cent could not name our capital city.

2. That 33 per cent could not name their own M.P. sitting in this house. And I understand that in the United States almost 50 per cent of the people could not name their local representative.

3. That 33 per cent could not name a single cabinet minister excluding the Prime Minister. It is hard to believe that the other ministers are so unimportant as not to be remembered. Among those who could name some of the ministers the Minister of Finance was best known, because he touches their pockets more often.

4. That 50 per cent do not know what is the population of Canada.

5. That 33 per cent could not name three of the Ten Commandments.

6. That 38 per cent could not explain what is meant by "socialism". To some socialism meant "banquets", or "parties", or "social gatherings".

Mr. ZAPLITNY: Could be.

Mr. HLYNKA: Well, 38 per cent did not know it, and that after the campaign which our hon. friends to our right have carried on for so many years.

7. That 25 per cent of the people of Canada did not know what communism stood for. Some defined it as "privacy"; others defined it as "a form of religion". It goes to show that there is something wrong even with our own people, because they have not the information which they should have.

An hon. MEMBER: How do the Social Crediters fare?

Mr. HLYNKA: There is no break-down of parties here.

Mr. MacINNIS: The questioner did not know social credit.

Mr. HLYNKA:

8. That 23 per cent could not define "capitalism". Some defined it as "too much money".

9. That 56 per cent could not define bureaucracy. Some defined it as "bedroom furniture".

10. That 40 per cent could not explain what is meant by free enterprise. I presume many of these people have been listening to speeches delivered by our C.C.F. friends; and yet, Mr. Chairman, the Canadian people are among the greatest readers of books and newspapers in the world. How can we account then for the Gallup poll findings?

It is my personal opinion that there is nothing wrong with the intelligence of the Canadian people or, for that matter, any other people. The truth is that we do not discuss these things often enough and for that reason they do not remain in the minds of the people. Our educational system has not exactly dealt with these subjects properly either. We still teach geometry and trigonometry to girls who take up nursing. Then our radio programmes should be called upon to assist in giving the people some of the necessary information.

In view of these facts, I maintain that the various citizenship guides which have been prepared by a number of organizations should be simplified. They should be put in as simple a form as possible. It must be kept in mind that many of these people have families and it will take much of their time and energy to provide for those families.

A great number of the people we have can learn to speak a language in two or three years, but we need people whose purpose and intentions are good and whose hearts are in the right place. Take the newly settled rural districts. The settler must devote his time to clearing and developing the land and to the building of his home and the educating of his children. That is his primary responsibility and not learning constitutional law or memorizing economic theories. We may be certain that these people will learn all about the different political parties during elections. They will get this information free from the candidates. Some of them perhaps will even be brought to meetings by cars. The various candidates will see to that.

I appreciate the efforts that are being made by the minister in this regard to institute a system of educating these applicants and acquainting them with the principles of democracy and assisting them in the learning one of the two languages of the country. Many of them will learn the language very quickly.

I wish to point out, too, that if anyone of us happened to find himself in one of the other countries, in a country where he would have to learn the language, he would realize the difficulties. How many of us would be able to learn the language in less than five years and be able to understand, in that language, the simple elements of the constitution and also the economic principles and various matters in connection with local politics and civic affairs?

I urge it upon the government not only to invite various organizations to present these texts for this purpose but actually to assign competent individuals to review these texts so that we may be able to give these new applicants, the prospective citizens of Canada, in the shortest possible time, the most essential material which they need. I would also appeal to the minister not to forget western Canada in particular, because I have found in my experience that the people in the cities can learn the language much more quickly than those in the rural districts. A person living in the city can go to night school or get a student to assist him in learning a language, but such is not the case in the country. Out on the farms or in the bush where the nearest school may be ten, fifteen or twenty miles. It is impossible to expect those people both to learn a language and to earn a living for their families.

I have made these few observations in good faith and I would appreciate it very much, as I know the people in the west will appreciate it, if the minister would take this text as it is and simplify it a bit so as to enable these people to absorb this material. I am sure that

the people we will get to come to Canada to become Canadian citizens would be of the type of whom we could be proud.

Mr. STEWART (Winnipeg North): The hon. member read to the committee ten questions which apparently have been asked of immigrants to this country who intend to take out citizenship. Worded as they are, there are questions which I have no doubt would present some difficulty to some members of the House of Commons. However, I am supremely glad that the hon. member did not include an eleventh question, "What is Christian democracy?" I am still awaiting a definition of that term.

It is interesting to note that he said that, according to the Gallup poll, only 25 per cent knew what communism was. I cannot help thinking of his leader who on one occasion said that McGill university was a hotbed of communism. I can only assume that the leader of the Social Credit party is one of the 75 per cent. I do not wish, however, to discuss the illusions of the Social Credit party; I want to get my teeth into something more solid.

The minister did make a statement to the committee about what the government intends to do in instructing, in the responsibilities and privileges of Canadian citizenship, those who come to Canada to be accepted into the Canadian family. I wish he would tell us what his intentions are as regards the use to which he intends to put the citizenship branch, a branch over which he presides.

Mr. GREEN: I think the speech of the hon. member for Vegreville was very helpful. He always makes helpful speeches, particularly on this question.

I should like to ask the minister why it is not possible to enter into an arrangement with the provinces similar to the arrangement under which youth training and vocational training are given. Let us put this thing on a proper business basis where the dominion pays its fair share of the cost of getting the teachers out in the smaller districts to take charge of this instruction. I hope that some arrangement of that kind has been made. I realize that the minister is very much in earnest about carrying out the provisions of this section. I do not wish to question the intention at all, but I thought he was indefinite this afternoon as to what plans he had made and that he was relying on voluntary groups. I am sure that they will do their part, but if this is to be done properly some financial arrangement must be made with the provinces.

[Mr. Hlynka.]

I should like to know why it is not possible to do that on much the same basis as is the carrying on of youth training.

Mr. ZAPLITNY: I believe that what I have to say can be better said before the minister answers. On the second reading of this bill I made a few suggestions to the minister along the lines of the suggestions that have been made by the hon. member for Vancouver South and the hon. member for Vegreville. I should like to enlarge on them for a moment or two. I wonder whether the minister has considered that the difficulty of adult education in the rural areas can be easily overcome by making full use of the rural schools. I do not know of any other organization that is so well situated or strategically placed as the rural school, which is right in the community where the people are to be found. There is another reason why it can be done better there than anywhere else, namely, that these are the same institutions that the children of immigrant parents will be attending. When the children come from school a great deal of interest is shown, especially when they are beginning to learn a new language and begin to tell the parents about it. There is a far greater carryover from the school to the home in those instances than where the parents already know the language and therefore do not show as much interest and curiosity.

I would suggest to the minister that in setting up facilities he call in a delegation from the various teachers' associations in the provinces. Each province has a teachers' federation or a union. It has a different name in each province. I am sure that the officers of such an organization would be very happy to cooperate with the minister's department in advising on the best possible method of going about adult education. A great deal of it has been done in a haphazard way on a voluntary basis. I have done some of it myself, but we were always handicapped by the fact that not enough money was provided by the provincial departments and that therefore it was not possible to carry on the work to any great extent. If the minister's department could provide some assistance I am sure that the teachers' organizations of the various provinces would have a plan ready in a very short time showing the best way it could be done.

Mr. BENTLEY: I was quite interested in this section because I am heartily in accord with it. Like the hon. member for Vegreville and others I wish it could be made retroactive. He was commended by the hon. member for Vancouver South and the Minister of Trade and Commerce, indicating that they approved

his speech, as I do. However, he might have been a little fairer and might have gone a little farther when he was speaking of the small percentage that knew what socialism was. He also said that it reflected somewhat on this group. I think I can best answer that part of his remarks by reading the first paragraph of an editorial which appeared in the Ottawa *Citizen* of April 29, 1946, which reads as follows:

The Ignorance of the Voter

Out of every ten voters in Canada, seven cannot tell the difference between the two long-established political parties, the Liberals and the Progressive Conservatives.

I hope that the Secretary of State will take this editorial to heart, and if he cannot go back and train this 70 per cent in the historical development of these two old parties in Canada, the rise and the fall of them, he should at least start from here on the new ones and proceed to enlighten them, so that in the course of the new generations possibly a smaller percentage of the population will be unenlightened.

Mr. POULIOT: What is the difference between the new ones and the old ones?

Mr. MARTIN: Hon. Members who have spoken have obviously expected me to say something in addition to what I have already said on this subject. As the hon. member for Vancouver South has indicated, it is not by any means as simple a task as it looks. If we had had some machinery set up long ago by which this sort of thing could be done one could state more definitely not only what one's plans are, but something about the carrying of them out. This is a new project. The citizenship branch has been only recently transferred to the Department of the Secretary of State. That branch was set up during the war for the purpose of carrying out certain incidents connected with the prosecution of the war, and it did a grand job.

Almost as soon as I had been made Secretary of State I got in touch with the citizenship branch with the consent of the then Minister of National War Services, and suggested that it might assist us in some way in respect of the operations of the Naturalization Act. Then, when the transfer took place I was able to get more help from that section by having them devote themselves exclusively to the particular assignment which we are discussing to-night.

The situation in the United States is by no means unknown to us. I myself have gone to twenty different places in the United States in the past seven months to see what kind of ceremonies they conduct over there, regarding not only the ceremonies but what kind of training and information is given to potential United States citizens. In addition to that, we have had officials come from the United States who have been kind enough to sit in with us; and when I was in England recently I had the chance of discussing the question and seeing what they did through the home office there.

With regard to the United States the situation is by no means as uniform as it would appear to be. In most of the United States cities by no means is the ritual carried out on uniform lines. In the cities of New York, Chicago, Seattle, Detroit and New Jersey one finds more impressive ceremonies than perhaps in other communities of the United States. But to say that the practice is uniform throughout the United States is to say something that is not true. First of all, their regulations came into being not with the passage of the act, but they have been added to from time to time, as ours undoubtedly will be in the light of experience. They have drafted and printed manuals, two of which I have on my desk to-night. I believe the manual that has been prepared by the Daughters of the Empire in Ontario is as good as anything in the United States. The Canadian educational and citizenship council and other organizations have sent in suggested texts which it is proposed we might use. All in all, from Canadian bodies generally I believe we have something like ninety-six suggested manuals with varying measures of acceptability, indicating what kind of questions and what kind of training should be given to these citizens. The government of the province of Quebec has opened evening classes for potential Canadian citizens. It is, I believe, the only province to have done so thus far.

As I said this afternoon, one of the first things we did was get in touch with the provincial ministers of education. So far we have got in touch with those of the provinces of Ontario, Alberta, Saskatchewan and Manitoba, and we hope to be able to get in touch with the others as quickly as possible, in order to enlist their help. We cannot do this ourselves, because it must be remembered that education is a matter coming within the exclusive jurisdiction of the provinces, and it must be approached with that in mind. However, if the matter is approached in the proper spirit I am sure we can expect the fullest cooperation. I quite agree with what was said by the hon. member for Vancouver South, that we should not simply rely on the provinces but should do something ourselves on a contributory basis, and I hope that when I come to present my requests for money with

which to do this very thing I may be able to get the full support of the house, because one cannot carry on work of this kind without the necessary financial support.

Mr. GREEN: Are you going to ask for that money this year?

Mr. MARTIN: Well, we have a programme which has to go before the Minister of Finance, and it will come here, I trust, in due course. I am now warning in a friendly way the committee and my colleagues here that I am counting upon their support.

Mr. FLEMING: More supplementary estimates!

Mr. MARTIN: We cannot bring in any such estimates until this bill is passed. With regard to the sort of questions to be asked and the kind of treatment to be given, I have here one of the best of the proposed manuals. I do not want to go into it in detail, but it deals with the history of the commonwealth, the history of the royal family, the history of the leading political figures of this country; men who have been prime ministers, men who have been provincial premiers, leading poets, leading musicians and so on. It asks and answers questions about our provincial governments, our federal government, the nature of the constitution, the duties of a citizen, the general history of our country, and so on. Last week I asked several of the leading historians of Canada, French, English and others, to meet with me to see if we could not get their help. All these things take time; they will not be done in a year or in several years. Anyone who thinks this is going to be done overnight, on the basis of the ambitious scheme we have in mind, I do not think appreciates exactly what we have to do. In regard to the simplification of questions, I think that is a real problem. It is not easy to reduce questions to a common denominator, where they will not be readily understood by all groups. As far as we can posibly make them, with the assistance of these agencies, the questions will be as understandable as possible, having in mind the various kinds of groups with which we shall have to deal.

I would not want anything I say to-night in any way to discount the work of voluntary organizations, because I believe that work is of tremendous importance. The number of teachers in this country who spend their free time teaching classes at night is simply amazing. The number of voluntary organizations doing work of that kind is such, and the work is so effective, that I would not want anything I say to-night to belittle what is being done. The hon. member for Vegreville spoke strongly in favour of a manual on the pattern of the United States manual. I may tell him that the manuals on which we are working are based on six different manuals issued by the United States. We have the advantage of those. We have the great advantage of the work done by the wartime information board in Britain and in Canada. All these manuals are before us and our officers are studying them. Through the citizenship branch we have contacts with all the newspapers of the country, particularly those in languages other than English or French, and serve them constantly with material about Canada. This information gets out to these people, and this is another way of laying before potential and Canadian citizens the sort of thing we would like them to know. I think it was the hon. member for Vancouver East who said to-day that we should do something about the immigrants when they first come to this country, and I was very much impressed with his remarks. That is, in a sense, outside the scope of the Department of the Secretary of State, but I think the suggestion is well worth bearing in mind and certainly I shall discuss the matter with my colleague the Minister of Mines and Resources.

Mr. GREEN: Does that not come under the minister's nationality branch?

Mr. MARTIN: No; these are people who are not citizens at all. The hon. gentleman had in mind the people when they first land here. The suggestion was that when they first enter this country they should be got in touch with at once, perhaps by means of a letter or something of that sort; that they should be given a warm welcome and told something about Canada.

Mr. GREEN: Is that not right in line with the work of the minister's nationality or citizenship branch?

Mr. MARTIN: It is in one sense, but obviously when they first come here they are under the direction of the Minister of Mines and Resources. There may be some overlapping there, and I would not want to proceed without full consultation with him.

Here are the sort of questions that are asked: What are the duties of the executive council? What is the executive council? Then the name is spelled out, and a full explanation is given. How many members are in the legislature or parliament? Who is the Speaker? What is the Speaker of the house? What is the term of office of the Premier or Prime Minister? One could go on with these questions ad infinitum, but I merely mention them to show that the department is fully aware of the nature of the problem, and I

can only repeat that we shall do our utmost to deal with it in a satisfactory manner. I was glad to hear hon. members express themselves as they did to-day, because I will count on them to support the department when it seeks to make more effective the operations of a branch of our work which we all admit to be of tremendous importance.

Mr. POULIOT: What the minister has said is sound, and he deserves to be congratulated upon having said it. The book that is put into the hands of the immigrants must be simply written and not too long. It should be in several languages, so that the information it contains may be easily accessible to those who will read it. The book should be attractive, also, and should contain a few pictures.

Mr. SINCLAIR (Vancouver North): Of whom?

Mr. POULIOT: Of the dead, because the living may be seen in person, and there is no flattery when we praise the dead. I do not know at all the publication issued by the I.O.D.E., but I know one book which has been published by a distinguished journalist, Mr. George Hambleton. I do not remember the title, but it was published by the information board, and was one of the few excellent publications coming from that source. It is a small booklet containing all information about the government. Then the province of Ontario has gone to the expense of publishing an excellent manual to inform students about the fundamentals of Canadian governments, all Canadian governments. It is more complete than Mr. Hambleton's book, and is very well done. We have already a publication that is not very big, but gives a great deal of interesting information. It is called "Canada, 1946", and is published every year. But I would warn the minister, when I think of the discussion that has taken place in the house in the last few days, that the writing of the history of Canada must be unbiased and must not be inflammatory; and that that will be a difficult task.

There are many ways of writing the history of a country. One method is followed in the United States, where they put aside all the dirty spots. I challenge anyone to find in the textbooks which contain the history of the United States any reference to the assassination of de Jumonville by Washington. It is not recorded, because Washington was the father of his country, and could not commit any error.

We have two schools of thought in Quebec. One expresses the opinion that French-speaking Canadians have always been persecuted, and the other expresses the contrary view that every liberty we have in this country has been graciously offered to us on a silver platter. Both opinions are untrue; and if there are some writers who contend that all our liberties were offered to our ancestors on a silver platter, it means that those who fought for responsible government had no reason for doing so because everything was given to them without their even asking for it.

There is another thing to which I would direct the attention of the Secretary of State, and this would affect, not the immigrants, but those who have been here with their families for a long time, and who intend to stay here and to be informed on Canadian history. Most historians are commentators, and could be compared with those we hear over the radio in the evenings. Some are interesting; others are not. But the minister is well read, having achieved success not only in the universities on this continent, but also in those in Europe. He will probably agree with me that the man who has done the most for the history of Canada in this country is my old friend Sir Arthur Doughty, dominion archivist. He wrote many books of history, one of which was "Canada and its Provinces". He published many of those books, with Sir Adam Shortt and others. They were very fine publications. He also published some books for children, one of which was called "The Lily and the Rose", along with some others He was a real savant, and a pleasant man.

But his greatest work was to begin, with Sir Adam Shortt, the publication of constitutional documents. Two or three of those books have been published at various intervals. They contain the texts of all official publications and are available to all scholars or students who wish to do some work or to throw some light on a certain period of history.

How can any man come here to work in our library? It is a very fine library, but there is the noise of the wooden floor. Then the librarians have to go up into the galleries, like birds on the branches of a tree. When they get there the light is bad. Then, when they need another book they must descend two or three flights of stairs or ladders. It is a continual process of climbing and going down, all the time. The most precious collection of newspapers we have in this country is down in the cellar, alongside the pipes which heat the building. It is impossible to go there in the winter time, and in the summer it is filled with that moisture which destroys the pages of the papers.

Who could work there? It is not available to us. When we have those books, then anyone who wishes to study a certain period

could have at his disposal two or three books in his office or his room, and could do some intelligent work. For many years there was no excuse for stopping that publication, and I find I can say that to the minister because he was not in charge of the department at the time.

There was complete darkness concerning the past. Now, however, we have small reports which mean nothing, and which are interested in little stories or fairy tales which come from the archives. The dress worn by the queen has been exhibited over there, but when we want information we have to fight for it. I must thank the minister, however, because sometimes I get it through him.

When Sir Arthur Doughty was alive the archives meant something; light came from there. Many people will not appreciate that. However, I urge upon the minister to have in the supplementary estimates an amount for the continuation of the publication of those constitutional documents, not for the immigrants, but for those who will be ready to do some voluntary teaching. The teacher must know more than his pupil. Perhaps this will be a means of enlarging and broadening the views of some of our fellow citizens, when they realize what our common ancestors, English as well as French-speaking, had to undergo in obtaining responsible government.

The Durham report has not yet been published. The selection of papers to be published in the constitutional documents should be made by one who is not a fanatic, one who is not bigoted, one who knows his history well. If it is to be partial, I do not want it; it must be complete. It is only by being complete that it will open the minds of those who are of good faith, who have been wrongly informed until now, but who are ready to listen to the true facts about the past.

History repeats itself. We may reach times when similar difficulties may arise, as they did in the past, and then the light from the past may come, provided that it is not obliterated in any way. The minister has proven that he is a great man in understanding the importance of the matter and being willing to do something in regard to what he has said. I shall not insist further. I consider it of the utmost importance, and since its importance has been realized I am thankful to the minister for having promised something in the supplementary estimates.

Section agreed to.

On section 38—Proceedings in court.

[Mr. Pouliot.]

Mr. GREEN: This deals with appropriate ceremonies for welcoming new citizens into citizenship. Has any consideration been given to inviting natural-born Canadians who have reached the age of twenty-one to participate in these ceremonies? I realize that that could not be made compulsory, that the dominion government would have no power to make such a provision, but I think it would be very helpful if young native-born Canadians were invited to take part in the ceremony.

Mr. MARTIN: Yes, I have attended eleven of these ceremonies and at three of them it was suggested to the officers of the department that that very thing should be done. It was done at a ceremony in Toronto, at one in Montreal and at one in my own city. In one place there were over three hundred of these young Canadians present.

Section agreed to.

On section 39—Regulations.

Mr. FLEMING: I have an amendment to propose as subsection 2. It will be observed that section 39 makes provision for regulations to be made by the governor in council in regard to a number of subjects, but no provision is made in the section for tabling in parliament the regulations so made, and my amendment would provide:

That section 39 be amended by adding thereto as subsection 2 the following:

All such regulations shall be laid before parliament within fifteen days after they are made if parliament is then sititng, or if parliament is not then sitting, within fifteen days after the commencement of the next ensuing session thereof.

Mr. MARTIN: Perhaps Mr. Chairman, you would take that as notice of an amendment to be moved in just a moment because I have an amendment to add a new subsection 2.

Mr. FLEMING: I am glad to let mine stand as notice of an amendment to be moved later, after the minister's.

Mr. MARTIN: I am going to ask my colleague the Minister of Mines and Resources to move that section 39 be amended by adding as subsection 2:

(2) The governor in council may

(a) authorize the issue of a proclamation declaring that any part of His Majesty's dominions not listed in the first schedule to this act, is a country of the British commonwealth for the purposes of this act;

(b) designate persons in the Northwest Territories and in the Yukon territory who shall constitute courts for the purposes of this act.

Mr. GLEN: I move accordingly.

Mr. FLEMING: Will that be capable of extension if—

Mr. MARTIN: It is a small "d".

Mr. FLEMING: That would include any part of the empire? You are not confining it to the self-governing nations?

Mr. MARTIN: Not if others are added. This gives power to add them.

Mr. FLEMING: I am a little concerned about the significance of "dominions" with a small "d." After all, the scheme of the bill in the light of section 2 (g) and the first schedule is to confine the measure in those respects to the self-governing member nations of the commonwealth.

Mr. MARTIN: I am told by the law officers that this is the proper way to designate it.

Mr. FLEMING: Is it still the intention as I have described it that it shall be confined to the self-governing nations of the commonwealth?

Mr. MARTIN: Countries with their own nationality legislation.

Mr. MacNICOL: Would the Chairman please read paragraph (b) of the amendment relating to persons in the Northwest Territories?

The ACTING CHAIRMAN (Mr. Golding): It reads:

(b) designate persons in the Northwest Territories and in the Yukon Territory who shall constitute courts for the purposes of this act.

Mr. MARTIN: The reason for that is that there are no judges in the Yukon and Northwest Territories and we have to designate somebody.

Mr. GREEN: Is not paragraph (a) of the amendment covered by section 2(g), which reads:

(g) "country of the British commonwealth" means for the purposes of this act a country listed in the first schedule to this act or a country declared for the purposes of this act to be a country of the British commonwealth of nations by proclamation issued under this act, and includes, in the case of any such country, all colonies, dependencies or territories thereof.

Mr. MARTIN: That was put in because of the argument my hon. friend opposite made the other night which I thought had merit in it, that there was no enabling power in the bill itself with regard to paragraph (g).

Amendment agreed to.

Mr. MARTIN: I shall be glad to accept the amendment of the hon. member for Eglinton of which he gave notice if he will move it now as subsection 3.

Mr. FLEMING: I move accordingly, Mr. Chairman.

Amendment agreed to.

Mr. REID: Would the minister explain why in some sections it is provided that "The minister, with the approval of the governor in council, shall take" certain measures, as appears in section 37, and then in other sections it is simply provided that "The governor in council may make regulations". What is the distinction between the minister, with the approval of the governor in council, and the governor in council acting?

Mr. MARTIN: In section 37 it is a matter of taking measures, and in section 39 it is a matter of issuing regulations. In the one case it is thought desirable that it should be left to the department.

Mr. HLYNKA: I should like to take one or two minutes on section 39 (h). What I have to say is an important matter to those citizens who have been naturalized. I should like to deal briefly with a matter and, perhaps, seek information on the advisability of setting up a branch of the minister's department to deal with it, or of assigning it to the Department of External Affairs. It is a matter having to do with birth certificates. As hon. members know, birth certificates are issued by vital statistics bureaux in each of the provinces. In my experience with vital statistics bureaux I have found that they can handle the problems of Canadian-born citizens well enough, and that is their job, but when it comes to the matter of birth certificates of persons who were born outside of Canada, the people have to go to foreign legations and are subjected to questioning.

To take myself as an example, I was about three years old when I was brought to Canada by my father, and the births of all the members of our family who were born on the other side of the ocean happen to have been recorded on one birth certificate, in Latin. If I want to go to the United States or if I require a birth certificate I would have to go to-day to the Soviet legation and be subjected to questioning, in spite of the fact that I never in my life had anything to do with the Soviet Union. At the time I was born there was no Soviet Union, but during this war the Soviet Union annexed the territory in which I was born. It seems to me that something should be done about cases of this kind, because I receive a good number of letters from Canadian citizens from all parts of the country, some of whom have been here for twenty years and more, asking me to assist them in obtaining their birth certificates. What can be done

in this matter? It is very important. Could not the Secretary of State, consulting perhaps with the Department of External Affairs, undertake a service to provide birth certificates to persons who want them, so that either the Secretary of State's Department or the Department of External Affairs would make proper investigation, search immigration and naturalization records and so forth, and establish what the age of the particular person may be. I desire to bring this matter to the attention of the minister, and I hope that he will take it up with the Department of External Affairs.

Mr. MARTIN: Thank you very much. I will have that matter taken up.

Section as amended agreed to.

On section 40—Evidence of declarations.

Mr. DIEFENBAKER: Just by way of suggestion, I am wondering whether or not it would facilitate proof in both sections 40 and 41 if a provision were made that it is unnecessary to produce the authority of the delegated officer to grant the certificate: in other words, if in section 40, after the word "behalf" in line 14, there were added these words, "without proof of such authorization."

Mr. MARTIN: Thank you. I accept that.

Mr. REID: Will there be any difference between the new naturalization certificates issued to the new Canadians as compared with the old naturalization certificates which have been issued, some by the provinces and some by the federal government?

Mr. MARTIN: Yes. The exact form has not been determined, but we hope to have them a little more convenient in size, too.

Mr. REID: Will facilities be provided by which those who have been in the country for years, such as myself, will be able to obtain the certificate?

Mr. MARTIN: Yes. I explained that the other night.

Mr. REID: By application to the minister?

Mr. MARTIN: Yes, to the Secretary of State.

The ACTING CHAIRMAN (Mr. Golding): Section 40 is carried.

Mr. DIEFENBAKER: As amended.

The ACTING CHAIRMAN (Mr. Golding): There is no amendment to section 40.

Mr. DIEFENBAKER: I move:

[Mr. Hlynka.]

That there be added after the word "behalf" in line 14 the words "without proof of such authorization."

Mr. MARTIN: That amendment is acceptable.

Amendment agreed to.

Section as amended agreed to.

On section 41—Evidence of certificate.

Mr. MARTIN: I move, following the suggestion of the hon. member for Lake Centre:

That after the words "in that behalf" there be added the words "without proof of such authorization."

Amendment agreed to.

Section as amended agreed to.

Section 42 agreed to.

On section 43—Question of domicile, how determined.

Mr. FLEMING: Just a question. I take it that it is the desire of the minister to have in this statute when it becomes law as complete a code as possible in relation to the whole question of citizenship, nationality and naturalization. Does he think it is wise to introduce some important provisions of the Immigration Act by reference in this way? Would it not be simpler to set forth these provisions in this section? After all, the Immigration Act may be changed; and there was an improvement made in this bill, in my humble opinion, as compared with the version which the minister introduced in the fall session last year, when in section 2, subparagraph (j) he brought into this bill a definition instead of trying to incorporate a reference to another statute. Would not the same proceeding be advisable here?

Mr. MARTIN: This is purely transitional and its provocations will soon disappear. It was thought this was the best way to deal with this situation; otherwise it would be highly complicated.

Section agreed to.

Section 44 agreed to.

On section 45—Acts repealed.

Mr. MARTIN: I am going to ask the Minister of Mines and Resources to move:

That clause 45 of Bill 7 be amended by adding thereto the following subsection, as subsection (2):

"(2) Where, in any act of the parliament of Canada or any order or regulation made thereunder, any provision is made applicable in respect of

(a) a "natural-born British subject" it shall apply in respect of a "natural-born Canadian citizen," or

(b) a "naturalized British subject" it shall apply in respect of a "Canadian citizen other than a natural-born Canadian citizen" or

(c) a "Canadian national" it shall apply in respect of a "Canadian citizen," under this act and where in any act, order or regulation aforesaid any provision is made in respect of the status of any such person as a Canadian national or British subject it shall apply in respect of his status as a Canadian citizen or British subject under this act.

I am prepared to give the explanation now.

Mr. FULTON: Explain it and let it stand.

Mr. MARTIN: Before the house rose at six o'clock I said that when we came to this section I would deal with an amendment to set at rest any fears there might be as to the possible effect of the present bill upon the orders in council concerning the Japanese in Canada.

Let me say, first of all, that there was no intention whatever that this bill should be connected with or affect in any way the operating of the policy with respect to the orders in question. That is a distinct and separate matter. A permanent measure with regard to the general status of citizenship should not be related in any way to such temporary provisions that affect only a small and restricted class. Moreover, so far as the actual effect of the bill as now drafted is concerned, we are convinced, after careful consideration, that it would not affect in any way the effectiveness of the deportation orders.

The matter has been most carefuly examined and I am certain that this is so. However, I can see what is disturbing some hon. members. The point that they have in mind is that the orders in council were passed in respect of persons who had a certain status—in actual fact, in respect of persons who had three different types of status; for some were natural-born in this country, some were naturalized and some were aliens.

The last group we can forget about. They are clearly and unmistakably not affected by the bill in any way. I am not admitting that orders of deportation are affected by this bill, but certainly this last group are clearly not affected. Thus, it is really two groups of persons about whom some hon. members are concerned: Japanese persons born in Canada and Japanese persons who were naturalized here. At the time the orders in council were passed these persons were respectively natural-born British subjects and naturalized British subjects. After the bill is passed, these groups of people will be respectively natural-born Canadian citizens and naturalized Canadian citizens.

The question is: Will the new status affect in any way the operation of the earlier orders? That is the point which hon. members have in mind. With regard to this matter, let me say that I think the merits of the policy should not enter into the consideration of this question in any way. The problem is a general problem—for there are some other acts and orders now in existence which deal with persons as "British subjects" or "Canadian nationals", and the same questions can arise in respect of them.

In other words, the amendment will deal not only with the particular situation but with any other situation that may possibly be in existence. Does this bill by changing the status of such people affect in any way the operation of such acts or orders? It is perfectly clear that this bill could not alter the operation of such acts or orders. If such alterations were to occur, we would create an unplanned and totally unpredictable effect on a totally unknown number of acts and orders. What we want is that their effect shall not be disturbed. In the light of the points that have been raised and of the considerations which I have mentioned, I think the situation as it now stands leaves a measure of doubt that should not exist, so that I have suggested the amendment which I have brought forward, which I think takes care of the situation completely.

The effect of the amendment which I have asked my colleague to move will be to provide that where an act or order now in force refers to a group of persons it shall continue to refer to the same group under their new status. For example, people who were born in Canada and who are now natural-born British subjects will hereafter be natural-born Canadian citizens. If an act now refers to natural-born British subjects it should hereafter include application to natural-born Canadian citizens. In other words, the amendment will provide for a parallel adaptation of existing acts and orders to the new classes of status that will result from the present bill.

The amendment is one that deals with an extremely complicated situation, but it has been carefully drafted and considered and it is, I think, the soundest way of doing what we have in mind. The section will stand.

Section stands.

On section 46—Saving.

Mr. GIBSON (Comox-Alberni): I was surprised and gratified to hear what the Secretary of State said in regard to the amendment to section 45 and, since he has allowed it to stand, we can examine it more carefully. It has not been carried?

Mr. MARTIN: No.

Mr. GIBSON (Comox-Alberni): To assist the minister with the two clauses that he has allowed to stand, 16 and 17, I should like to move the following clause to be added to section 46. It would be subsection 3:

Notwithstanding any other provisions of this act, for a period of twenty years from the proclamation thereof, no person of Japanese ancestry, whether natural born, naturalized or Japanese alien, shall be allowed to reside in that section of British Columbia presently known as the coastal security zone.

I hear some hon. members say that the amendment is out of order.

Mr. FULTON: Pay no attention.

Mr. GIBSON (Comox-Alberni): I feel that should the government be unwilling to accept this proposal I would be justified in believing that they never had any intention of trying to carry out the undertaking which I believe the Minister of Veterans Affairs made in good faith in the recent election in British Columbia and that his colleagues have not supported him in his sincere and honest statement that no Japanese would be allowed from the Rockies to the sea in British Columbia and—

Mr. MacINNIS: Mr. Chairman, I submit that the amendment should be read to the committee before it is debated. We cannot discuss the amendment until it is before the committee.

The ACTING CHAIRMAN (Mr. Golding): There is an amendment before the committee.

Mr. GREEN: Not to this section.

The ACTING CHAIRMAN (Mr. Golding): I shall read the amendment as proposed by the hon. member. Mr. Gibson moves that:

Notwithstanding any other provisions of this act, for a period of twenty years from the proclamation thereof, no person of Japanese ancestry, whether natural-born, naturalized or Japanese alien, shall be allowed to reside in that section of British Columbia presently known as the coastal security zone.

Mr. MacINNIS: Would the Chairman give an opinion now as to whether or not the amendment is in order? My opinion is that the amendment cannot be in order; that it is not related in any way to naturalization or to any provision of this bill, and consequently it must be out of order.

Mr. SINCLAIR (Vancouver North): May I be permitted to speak on the point of order? The explanatory note of section 46 is "saving". I understand that earlier in the debate the hon. member for New Westminster raised the case of a natural-born Canadian of Japanese ancestry who announced that he had no faith in Canada; that his patriotism was to Japan. Yet he could return to this country and assume the full rights of a Canadian citizen because, as the Secretary of State pointed out, there is no place to which to deport him since he was a natural-born Canadian. On the other hand, this saving section, 46, has an association with these orders in council passed last fall which put certain restrictions on people who were natural-born Canadians and naturalized Canadians. There was a further order in council passed dealing with certain Canadians, which restricted them from living in the coastal zone. That was passed in 1942. I followed the Secretary of State's argument and explanation as carefully as I could, and with what knowledge of the English language I have, it sounded like double talk to me. Along with this saving section, 46, there should certainly be such a provision as this amendment to support, as the hon. member for Comox-Alberni says, the promises made by the Minister of Veterans Affairs, the only minister from British Columbia in the government. He promised that the Japanese would not return to the coastal zone. At the present time there is an order in council which says that, but we want to go farther than that since the provisions of this bill give full Canadian rights to natural-born Japanese.

Mr. MARTIN: The amendment is not an easy one; neither is the subject itself. I am sure that if the hon. gentleman will give it the great consideration which I know he will, he will see that it refers *inter alia* to the three orders. I want to suggest to my very good friend, the hon. member for Comox-Alberni, who is one of the most diligent members in this house, that this bill is a measure dealing with nationality, citizenship and status of aliens. I would suggest to him that the amendment as offered certainly has no place in this bill. I do not know whether it is out of order or not, but I would certainly suggest to the hon. member that it is so clearly irrelevant that I would not think he would require much more persuasion to withdraw the amendment.

Mr. GIBSON (Comox-Alberni): I dislike not reacting properly to the kindly words that the Secretary of State has applied to me. It makes me feel very humble. However, with my very great lack of parliamentary experience I must say that I have been looking for quite some time for an opportunity to see what the government intended to do with regard to the Japanese on the coast. I know the Minister of Veterans Affairs is particularly concerned with how he is going to keep the promise he made that assisted him in garnering the support of his colleagues to the propo-

sition which he sold to the people of British Columbia, certainly to Vancouver Centre. I think this is a marvellous opportunity for the government of Canada to give tangible evidence to the people of British Columbia of their good faith in the last election. It just occurs to me that this is the only opportunity they have yet had to carry out that promise.

I know that British Columbia members have been bringing up this matter in the house for many years. The man whom I have the honour to succeed took this matter up faithfully for twenty-five years, and we can look around the house and see many hon. members from British Columbia who have been carrying on yeoman service in this regard despite, shall I say, the handicap of having to put up with the anti-Canadian resolutions of the hon. member for Vancouver East.

Mr. MacINNIS: They did not vote exclusion when I gave them the chance; they voted against it.

Mr. GIBSON (Comox-Alberni): The people of Vancouver East are not very well informed—

Mr. MacINNIS: Let the hon. member tell that to the people of Vancouver.

Mr. GIBSON (Comox-Alberni): I believe this is an opportlunity for the members of the house to listen to what has been told them for the past forty years by the members from British Columbia. In days gone by we did not have the C.C.F. party. It used to be unanimous out there, but it would appear to me our people have fallen into the ways of error. I would not advise this house to listen too carefully to the five members who represent the C.C.F. party here with regard to what has been going on.

The ACTING CHAIRMAN (Mr. Golding): Is the hon. member speaking to the point of order?

Mr. GIBSON (Comox-Alberni): A point of order was raised. We have to deal with that.

Mr. GREEN: On the point of order, may I point out that in other sections of this bill reference is made to rights and obligations. For example, in section 27 there is a reference to the rights of the Canadian citizen other than a natural-born citizen. In section 29 there is a reference to the rights of aliens. I submit that the amendment which has been offered by the hon. member for Comox-Alberni deals with rights and is entirely in order.

Mr. GLEN: May I be allowed to say a word? The amendment states:

> Notwithstanding any other provisions of this act, for a period of twenty years from the proclamation thereof, no person of Japanese ancestry, whether natural-born naturalized or Japanese alien, shall be allowed to reside in that section of British Columbia presently known as the coastal security zone.

Any amendment that is moved must be relevant to the question on which the amendment is moved. In this bill we are dealing with the question of nationality of citizenship and all the rights and privileges that pertain thereto. In this amendment we are denying to a citizen of Canada the right to reside in a certain place. It is not relevant to the bill because it introduces another matter altogther foreign to and has no bearing on the section of the bill with which we are now dealing. In my judgment it is entirely out of order to introduce a subject so irrelevant and so foreign to the very purpose of the bill. I suggest that the Chairman consider citation 344 of Beauchesne's Parliamentary Rules and Forms, volume 3, which reads:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.
>
> The law on the relevancy of amendments is that if they are on the same subject matter with the original motion, they are admissible, but not when foreign thereto. The exceptions to this rule are amendments on the question of going into supply or ways and means.

I am submitting to the Chair that this amendment is foreign to the section now before the committee and that, as a matter of fact, it contains a prohibition denying to an individual who might under the bill become a citizen of this country his rights and obligations, and that therefore it is out of order.

The ACTING CHAIRMAN (Mr. Golding): I had intended to quote the citation which has been quoted by the Minister of Mines and Resources. I think there is no question in the world that this amendment is clearly out of order. If such an amendment were accepted any other hon. member could rise up and move a motion or an amendment to deal with some other class in the same way, and so it could go on and on. I rule the amendment out of order.

Mr. SINCLAIR (Vancouver North): Neither the hon. member for Comox-Alberni nor myself being a lawyer, we had thought section 46 had to do with certain saving restrictions. I may not be in order now in asking this, but I waited for this section in order to do so. Perhaps the minister will give me and my colleague the assurance that

this bill which we are almost through will not give to these natural-born Canadian Japanese or naturalized Canadian Japanese rights which they do not have at the moment. For instance, in British Columbia they do not vote. In British Columbia at present, because of an order in council, they do not live in the coastal security zone. We should like to know if this bill does give them the right to vote in British Columbia and the right to live in the coastal zone.

Mr. MARTIN: The amendment I have offered covers all existing acts and orders.

Mr. SINCLAIR (Vancouver North): Including that one about not living in the coastal zone?

Mr. MARTIN: I said it covers all existing acts and orders.

Mr. FULTON: On an earlier occasion when I asked the minister a question with regard to the effect of the repeal of this act which was common to all the empire countries, as I understood it he said he would explain when we came to section 46. Has he that explanation to offer now?

Mr. MARTIN: Hitherto the status of British subjects has been established by having virtually identical definitions in the naturalization acts of the different countries of the commonwealth. Each act described what persons were born to the status of British subjects and what persons could be naturalized to it, and each act did this in the same way. However, as long as this system was retained it meant that we were not able to eliminate double definitions: definition on the one hand of national status and on the other hand of the status of British subject. The result in Canada was that we fell into the serious difficulties that we now have with British subjects, Canadian nationals and Canadian citizens. Moreover, the retention of the identical definition basis imposed a severe limitation upon the capacity of individual countries of the commonwealth to establish their own citizenship as a basic consideration for purposes of their own law.

The hitherto existing approach might be called the system of "identical definition." The other possible approach is for each country of the commonwealth to establish its own citizenship definition in accordance with its own needs, and for the other countries to recognize that definition as according the status of British subjects for purposes of their law. This new basis might be contrasted with that of "identical definition" by calling it, perhaps, the principle of "mutual recognition." The principle is seen in the present bill. We have defined Canadian citizens, and we have said that we regard them as having the status of British subjects. We have then gone on to say that for the purposes of our law we recognize as British subjects persons who are such under the law of any other country of the commonwealth, no matter how that country may define the status. There is advantage in maintaining as high a degree of similarity in definition as is consistent with the special needs of the various countries. This we have tried to keep in mind in the present bill, and hon. members will have noticed that the basic definitions and qualifications here are not substantially different from those in the present Naturalization Act. In short, we have tried to achieve what we thought was necessary in the new situation without discarding what seemed to be of value in the old.

Mr. FULTON: That is a very clear explanation. Can the minister say whether this principle of mutual recognition has been discussed with the other commonwealth countries?

Mr. MARTIN: Yes, the bill was sent to the other commonwealth countries.

Mr. FULTON: And were they prepared to make similar concessions?

Mr. MARTIN: There was no negative reply.

Mr. FULTON: All of them?

Mr. MARTIN: Yes.

Section agreed to.

On section 47—Coming into force.

Mr. STEWART (Winnipeg North): I wonder if the minister could tell us, assuming this bill is passed by next week, when the probable date of proclamation would be. I should like to think this bill might be proclaimed by the end of May, in view of the quinquennial census which is to take place on the prairies next month. I emphasize that strongly, because the citizens out there would then be able to say, when asked what is their citizenship, "I am a Canadian." That may not be possible, because in all probability the forms are already printed, but if it should not be possible I would suggest that the bill be proclaimed on July 1.

Mr. MARTIN: I may assure my hon. friend that it will be proclaimed at the earliest possible moment. We have to give notice of the establishment of the registers abroad to many people, and as soon as we can effect that item particularly we hope to proclaim it. At

the moment it is difficult to say exactly when that will be, though I can assure the hon. gentleman it will be done as quickly as possible.

Mr. DIEFENBAKER: Just in that connection, if I may add one word, the other day when I brought up an amendment with regard to the question that hereafter it should be unnecessary, except in the case of naturalized citizens, to refer in the census to racial origin, or even to answer the question of racial origin, the minister stated that he could give the assurance that hereafter this would not be required in the census. Does that assurance apply to the census about to be taken in the western provinces?

Mr. MARTIN: Of course I can only say that this bill is not yet law. As soon as it becomes law the answer to one's national status will be as provided in section 3 of the bill.

Mr. DIEFENBAKER: Well, that still does not answer the question.

Mr. POULIOT: One thing at a time.

Mr. DIEFENBAKER: That is right; one thing at a time, as the hon. member for Temiscouata says. The question I am asking is simply this. Will natural-born Canadians, provided that this bill is promulgated and brought into effect before the cenus takes place in the western provinces, be required to state their racial origin?

The ACTING CHAIRMAN (Mr. Golding): Order. The section under discussion reads as follows:

This act shall come into force upon a date to be fixed by proclamation of the governor in council.

Shall this section carry?

Mr. FLEMING: Will the bill be proclaimed in time for the celebration of Canadian citizenship day?

Mr. MARTIN: Carried.

Mr. ZAPLITNY: I submit that the questions asked by the hon. member for Winnipeg North and the hon. member for Lake Centre are connected with this section, because it deals with the date of proclamation and that has a bearing on whether or not the people of the prairie provinces will have the legal right under this bill to call themselves Canadian citizens, and whether or not that will be a good and sufficient answer as provided in section 3. I think we are entitled to a reply to that.

Mr. MARTIN: I have given the reply. Section 3 is quite clear, that if a person is asked as to his national status, hereafter he will not have to say anything other than, "I am a Canadian citizen."

Mr. ZAPLITNY: Would the minister add to that statement, "regardless of what is on the printed census form"?

Mr. MARTIN: The bill is clear.

Section agreed to.

On schedule 1.

Mr. FLEMING: A question has been asked about the inclusion within the scope of the commonwealth of Australia of the territory of Papua and Norfolk islands. Would the minister explain that?

Mr. MARTIN: It is carried over from the old act.

Mr. POULIOT: They are British subjects.

Mr. FLEMING: Could the minister clarify the situation?

Mr. MARTIN: It is the schedule suggested by the Department of External Affairs, and carries out provisions in the old act. Australia would want it, too.

Mr. FLEMING: The question was asked by some hon. members as to whether this involved the granting of citizenship privileges in certain cases to persons who might not be white, or be familiar with the English language.

Mr. MARTIN: It does. The point arises in connection with section 28. It is to be noted that section 28 does not say that we recognize as a British subject a person born in a country in the schedule, or a person resident in a country in the schedule. That would limit the status to a person from one of the scheduled countries. There is no such limitation. The status is recognized for anyone who gets that status under the laws of any of the scheduled countries. The United Kingdom is a scheduled country, and all colonials get the status of British subject by force of the United Kingdom law. Thus, the effect of section 28 is to recognize all British subjects, and not just a portion of them.

Mr. FLEMING: Another point might be clarified, namely the significance of the word "Ireland". What is the relevance of that geographical expression to the nation which now calls itself Eire. I take it that the reference in this schedule applies to the whole geographical island known as Ireland, including the northern six counties and Eire.

Mr. MARTIN: Northern Ireland comes under the United Kingdom.

Mr. FLEMING: And Ireland includes Eire.

Mr. MARTIN: Yes.

Mr. POULIOT: I do not believe in the discrimination of races. The commonwealth of Australia includes all the aborigines of the commonwealth. The Maoris of New Zealand, the Hottentots and the Zulus of South Africa are all British subjects. I am sure they will send a letter of appreciation to the hon. member for Eglinton for his fine speeches in that regard.

Schedule agreed to.

Schedule 2 agreed to.

On section 10—Grant of a certificate of Canadian citizenship.

The ACTING CHAIRMAN (Mr. Golding): There is an amendment to this section.

Mr. GLEN: I move:

That section 10 be amended.

1. By inserting a new subsection (2), as follows:

"(2) Notwithstanding the provisions of subsection one of this section, the minister may grant a certificate of Canadian citizenship to any person who is a British subject and who makes to the minister a declaration that he desires such certificate and who satisfies the minister that he possesses the qualifications prescribed by paragraphs (b), (c), (d), (e), (f) and (g) of subsection one of this section; provided that in any case where, in the opinion of the minister, there is doubt as to whether the applicant possesses the said qualifications, the minister before granting such a certificate may refer the declaration and the material in support thereof to the court in the judicial district in which the declarant resides, and the declaration shall thereupon be dealt with as an application under subsection one of this section."

2. By renumbering the present subsection (2) as subsection (3).

3. By renumbering the present subsection (3) as subsection (4) and inserting after the words "subsection one" in line six thereof the words "and subsection two."

4. By renumbering the present subsection (4) as subsection (5) and substituting for the words "for the purpose of subsection one of this section" in line five thereof the words "for the purposes of subsection one and subsection two of this section."

Mr. FLEMING: As one who introduced an amendment to section 10 (1), may I commend the amendment which the minister has introduced. It recognizes the principle for which I contended in my amendment, although the minister's amendment does not go as far as mine did.

Amendment agreed to.

Subsections 3, 4 and 5 agreed to.

Mr. DIEFENBAKER: I move:

That the following words be added to the section as subsection 6: "Such certificate of citizenship shall be deemed to include a Bill of Rights as follows:

1. Freedom of religion, freedom of speech, and the right to peaceable assembly are assured.

2. Habeas corpus shall not be suspended except by parliament.

3. No one shall be required to give evidence before any tribunal or commission at any time if denied counsel or other constitutional safeguards."

Some few minutes ago the minister made reference to the fact that some hon. members were disturbed regarding the effect of this bill on outstanding orders in council. I was one of those hon. members. I now refer to it for the purpose of clarifying the situation, and not because of any sympathy with views which might be expressed to the effect that under our citizenship, such citizenship should not be equal, without regard to race, colour or creed. I make that perfectly clear, so that there may be no misunderstanding.

I have expressed my views in regard to those orders in council before, and I express them again now by saying that if citizenship is to mean anything it must mean the equality of all.

Section stands.

Progress reported.

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

Monday, May 6, 1946.

The house met at three o'clock.

PRIVILEGE

CANADIAN WHEAT BOARD ACT—REFERENCE TO ARTICLE IN WINNIPEG TRIBUNE

Mr. R. N. JUTRAS (Provencher): Mr. Speaker, I rise to a question of privilege. In an article in the Winnipeg *Tribune* dated May 1 of this year, questionable and unfair motives were imputed to me, and I wish now to deny them emphatically. I want to make it clear that the appreciation of my responsibility as a representative of the people, and that alone, is the motive that prompted me to expose the numerous adverse and detrimental effects that bill No. 5 would have on the Canadian wheat board and, ultimately, on the farmers of western Canada.

You will recall, Mr. Speaker, that I gave you notice of my intention to speak on that bill at the last session, but that the time expired before my turn came. Any suggestion that I took the floor last Tuesday to talk out Bill No. 5 is totally unfounded, untrue and unfair. I still have six minutes to go when this debate is resumed, and I propose to avail myself

of those few minutes to make my position perfectly clear. I hope Mr. Dick Sanburn will then be in the gallery to listen.

WAR EXPENDITURES

CHANGE OF PERSONNEL OF SPECIAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the name of Mr. Murphy be substituted for that of Mr. Macdonnell (Muskoka-Ontario) on the special committee on war expenditures and economies.

Motion agreed to.

PRIVATE BILLS

CANADIAN ACCEPTANCE COMPANY

Mr. W. E. HARRIS (Grey-Bruce) moved the first reading of bill No. 59 (from the senate) to incorporate Canadian Acceptance company.

He said: Under the Small Loans Act of 1939 licences may be granted for the carrying on of the business of lending up to $500 on personal notes and the like. The act is administered by the superintendent of insurance, and, apparently a dominion corporation is required to form another company if they wish to carry on that type of business. This application is by some of the officers of the Canadian Acceptance Corporation Limited—well known, I think, to most hon. members—and the purpose is to incorporate a company which will carry on small loans under this act.

Motion agreed to and bill read the first time.

RUPERT'S LAND TRADING COMPANY

Mr. RALPH MAYBANK (Winnipeg South Centre) moved the first reading of bill No. 60 (from the senate) respecting Rupert's Land Trading company.

He said: This is an amendment to a charter which was granted by the parliament of Canada some few years ago, to clarify certain rights which had been believed until recently the company already possessed, the company owning land in various places. It is, I may say, a successor to the company which has been in existence for a great many years known as Révillon Frères, well known fur trading organization. But some question within perhaps the last year has arisen about the right of the company to own land. It is not clearly enough stated in the charter, and it is to clarify the position in that respect that these amendments to the charter are now being introduced.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EXPORT OF MILCH COWS

Mr. HATFIELD:

How many milch cows were exported to the United States from March 31, 1945 to March 31, 1946?

Mr. MacKINNON: 51,683 dairy cattle.

PERMANENT AND TEMPORARY GOVERNMENT EMPLOYEES

Mr. FLEMING:

How many persons were in the employ of the dominion government on (a) a temporary basis; (b) a permanent basis, on each of the following dates:

1. September, 1939; 2. September 1, 1940; 3. September 1, 1941; 4. September 1, 1942; 5. September 1, 1943; 6. September 1, 1944; 7. September 1, 1945; 8. January 1, 1946; 9. February 1, 1946; 10. March 1, 1946; 11. April 1, 1946; 12. May 1, 1946?

Mr. MacKINNON:

Number of permanent and temporary employees in the civil service.[1]

	Temporary (a)	Permanent (b)
1. September 1, 1939	15,608	31,363
2. September 1, 1940	25,987	31,336
3. September 1, 1941	42,459	30,664
4. September 1, 1942	61,288	29,858
5. September 1, 1943	79,691	28,946
6. September 1, 1944	83,492	30,305
7. September 1, 1945	85,759	30,399
8. January 1, 1946[2]	106,717[3]	31,039
9. February 1, 1946[2]	85,360	31,002
10. March 1, 1946	Information not available	
11. April 1, 1946	Information not available	
12. May 1, 1946	Information not available	

[1]It is to be noted that the following include only those persons who are classified as "permanent" or "temporary" employees according to the civil service regulations and therefore employees whose work is of a casual nature, described at "non-enumerated classes" are not included.

[2]Unrevised.

[3]Includes over 20,000 employees taken on for the Christmas rush in the Post Office department.

ROYAL MILITARY COLLEGE

Mr. ISNOR:

1. When reopened, will the Royal Military College at Kingston be conducted on a basis similar to that existing in 1938-39?

2. What provision is being made (a) to conduct officers training courses for university graduates; (b) to include men from the ranks of the active army who have been recommended for commissions?

Mr. ABBOTT:

1. The basis on which the Royal Military College will be reopened has not yet been decided. The system by which officers for Canada's post-war army will be provided, the educational standards required, and the manner in which the necessary military and educational training should be carried out will depend to some extent on the recommendations to be made by a committee, under the chairmanship of Brigadier Sherwood Lett of Vancouver, presently inquiring into these matters.

2. See answer to question No. 1.

LOANS TO PROVINCES

Mr. DORION:

1. What was the amount of the loans, each year, from 1927 to 1939, by the federal government to each of the provincial governments?
2. What was the interest on these loans?
3. What amount has been reimbursed on these loans?
4. What was the outstanding balance for each of these loans on April 1, 1939?

Mr. MAYHEW:

1.

	Manitoba	Saskatchewan	Alberta	British Columbia
1931-32.....	$ 4,331,486 37	$12,034,934 12	$ 5,142,586 39	$ 5,784,164 69
1932-33.....	6,476,710 51	9,734,337 38	2,840,000 00	5,382,500 00
1933-34.....	2,384,000 00	6,960,065 88	4,068,524 31	3,535,000 00
1934-35.....	4,127,000 00	11,434,811 47	3,895,000 00	8,225,000 00
1935-36.....	4,720,655 26	14,291,043 82	13,117,000 00	12,566,000 00
1936-37.....	4,627,000 00	6,059,461 48	974,450 00	4,044,000 00
1937-38.....	2,982,000 00	11,604,786 48	200,000 00	2,000,000 00
1938-39.....	2,312,000 00	13,767,910 75	—	—
	$31,960,852 14	$85,887,351 38	$30,237,560 70	$41,536,664 69

2.

1931-32.....	—	—	—	—
1932-33.....	$ 266,526 23	$ 715,574 99	$ 278,675 17	$ 308,640 77
1933-34.....	409,059 27	1,094,897 86	319,988 22	295,162 36
1934-35.....	521,438 64	1,360,668 23	518,598 99	454,487 15
1935-36.....	536,833 48	1,632,050 31	738,627 55	744,546 23
1936-37.....	515,814 37	1,747,056 98	848,338 03	1,048,675 66
1937-38.....	642,794 38	1,228,747 33	757,007 49	956,518 01
	656,481 34	1,424,640 34	763,516 69	996,488 43
	$ 3,548,947 71	*$ 9,203,636 04	$ 4,224,752 14	$ 4,804,518 61

*Includes interest paid by issue of additional Provincial Treasury Bills in favour of the Dominion.

3.

1931-32.....	$ 1,542,674 71	$ 1,100,592 66	$ 1,044,845 95	$ 971,040 81
1932-33.....	1,304,806 77	2,155,781 82	937,959 01	4,469,863 53
1933-34.....	110,716 77	1,490,825 76	17,781 43	2,213,239 52
1934-35.....	1,252,369 18	1,293,797 45	1,968,524 31	258,286 10
1935-36.....	2,324,429 48	45,565 39	13,000 00	7,554 63
1936-37.....	1,000 00	582 48	169,252 00	71,600 38
1937-38.....	22,811 74	—	7,000 00	458,363 23
1938-39.....	906,500 65	59,063 56	—	129,505 94
	$ 7,465,309 30	$ 6,146,209 12	$ 4,158,362 70	$ 8,579,454 14

4. Owing to several amalgamations which have taken place with respect to a great number of loans to each of the western provinces, it is not possible to answer 4 precisely as asked. The following are the net amounts outstanding on April 1, 1939:

Manitoba	*$	23,690,645 82
Saskatchewan	*	62,058,984 65
Alberta		26,079,198 00
British Columbia		32,957,210 55
		$144,786,039 02

*After write-offs pursuant to debt adjustment scheme which in the case of Manitoba amounted to $804,897.02 and in the case of Saskatchewan amounted to $17,682,157.61.

WHEAT OF CONTRACT GRADES

Mr. BENTLEY:

What are the total amounts of wheat of contract grades visible and/or estimated in the following positions as at April 1, 1946 (a) in country elevators; (b) in store at Fort William and Port Arthur terminals; (c) in store in Pacific seaboard terminals; (d) in store in Atlantic seaboard terminals; (e) in store in inland terminals; (f) in store in bond in U.S.A.; (g) in transit; (h) in mill elevators; (i) on farms in western Canada (estimated)?

Mr. MacKINNON: Red spring wheat of all grades in following positions at March 29, 1946:

	Bushels
(a) Country elevators	35,245,000
(b) Fort William and Port Arthur	22,439,543
(c) Pacific terminals	6,005,034
(d) Atlantic terminals	434,566
(e) Inland terminals	1,751,478
(f) United States of America	2,181,435
(g) Transit	11,593,583
(h) Mill elevators and interior private terminals	4,693,000
(1) Churchill	1,877,737
(2) Lake and upper St. Lawrence ports	8,736,964
(3) Lower St. Lawrence ports	8,314,002
	103,272,342

(i) On farms in Canada, estimate, 101·7 million as at March 31, 1946.

OWEN SOUND TRANSPORTATION COMPANIES—SUBSIDIES

Mr. MURPHY:

1. Did the dominion government pay any subsidies to the Dominion Transportation Company of Owen Sound, and the Owen Sound Transportation Company, or either of them, before January 31, 1943?

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

3. Were any subsidies paid to the abovementioned in 1943, 1944 and 1945?

4. If so, what amounts and for what purposes?

5. Who are the officers and directors of the above named companies?

Mr. MacKINNON:

1. No.

2. Answered by No. 1.

3. Yes. To the Owen Sound Transporation Company.

4. 1943, $35,000; 1944, $35,000; 1945, $35,000; for subsidized steamship service between Owen Sound and ports on Manitoulin Island and Georgian Bay.

5. Officers: Ivor Wagner, President and General Manager; W. W. Barnard, Vice-President in charge of operations; W. A. Alexander, Secretary-Treasurer; William Owens, Chief Engineer.

Directors: Ivor Wagner, W. W. Barnard, W. A. Alexander, William Owens.

AIR TRANSPORT BOARD—LICENCES

Mr ISNOR:

How many licences have been issued by the Air Transit Board to private companies since January 1, 1946, showing (a) number of licences in each province; (b) names of companies; (c) dates on which licences were granted; (d) whether passenger, freight, or passenger and freight; (e) scheduled routes?

Mr. HOWE:

1. By the Air transport board:—

(a) A total of 11 licences as follows:—

Prince Edward Island	1
Nova Scotia	2
New Brunswick	0
Quebec	0
Ontario	5
Manitoba	1
Saskatchewan	0
Alberta	1
British Columbia	1
North West Territories	0

(b), (c), (d), and (e).

Prince Edward Island

Maritime Central Airways Limited, March 7, 1946, passenger and goods, non-scheduled.

Nova Scotia

Pulsifer Brothers Limited, April 1, 1946, passenger and goods, non-scheduled.

Pulsifer Brothers Limited, April 10, 1946, passenger and goods, non-scheduled.

Ontario

Austin Airways Limited, Jan. 16, 1946, passenger and goods, non-scheduled.

Inter Provincial Air Services Limited, March 21, 1946, passenger and goods, non-scheduled.

Leavens Brothers Air Services Limited, Jan. 14, 1946, passenger and goods, scheduled.

Leavens Brothers Air Services Limited, April 1, 1946, passenger and goods, non-scheduled.

Laurentian Air Services Ltd., March 20, 1946, passenger and goods, non-scheduled.

Manitoba

Johannesson Flying Service Limited, Jan. 9, 1946, passenger and goods, non-scheduled.

Alberta

Associated Airways Limited, Feb. 15, 1946, passenger and goods, non-scheduled.

British Columbia

Spilsbury & Hepburn Limited, April 1, 1946, passenger and goods, non-scheduled.

WAR ASSETS—PURCHASES BY ALBERTA

Mr. IRVINE:

1. What kinds and quantities of materials, goods and equipment formerly used or intended for use on the Alaska highway were purchased by the province of Alberta between April 30, 1945, and March 1, 1946, from the War Assets Corporation, or departments of government, and what were the amounts paid?

2. What kinds and quantities of other war materials, goods or equipment were purchased from the government of Canada by the province of Alberta from April 30, 1945 to March 1, 1946, and what were the amounts paid for same?

Mr. HOWE:

1. In a declaration of surplus assets, the original use or intended use of the items declared surplus is not designated. It is, therefore, impossible to obtain the answer to this part of the question from the records of War Assets Corporation.

2. The following statement of sales, by War Assets Corporation to the provincial government of Alberta, covers the period July 12, 1944, to February, 28, 1946:

Category	No. of Invoices	Amount
Real estate	1	$ 9,000 00
Buildings without land	6	70,300 00
Office furniture and equipment	3	127 41
Bunkhouse, cafeteria and camp equipment	9	1,666 89
Kitchenware and cutlery	1	387 03
Textiles and textile products	1	2,990 00
Chemicals and explosives	9	434 50
Miscellaneous consumer goods	3	145 89
Scrap—metal	1	3 00
Scrap—all other	1	71 10
Hardware	2	341 78
Electrical equipment	3	16,760 00
Trucks, trailers and tractors	3	9,450 00
Passenger cars	2	679 10
Automobile equipment	1	141 65
Machine tools and equipment	2	11,488 53
Hospital and firefighing equipment	3	105 92
Ships	1	450 00
Aircraft raw materials	1	103 20
	53	$124,646 00

WARTIME HOUSING LIMITED—EAST YORK

Mr. JACKMAN:

1. How many houses were projected by Wartime Housing, Limited in East York?

2. When was building commenced?

3. How many houses were occupied by April 1, 1946?

4. What was the cost of the land?

5. What was the total cost of development?

6. What was the average cost of each unit?

7. How much was paid by the dominion government or a dominion government agency?

8. What work was done by other political bodies?

9. What does each type of house rent for?

Mr. HOWE:

1. 197.

2. July, 1945.

3. 22. However, 9 others were ready and allotted to servicemen but not yet occupied.

4. $43,108.00.

5. $900,136.95 as at March 31, 1946.

6. Average cost not yet available as construction not completed.

7. Answered by 5.

8. (a) The city of Toronto is in process of constructing the following: Public roadways (paved), concrete curbs, public sidewalks, sanitary sewers, storm sewers, water-mains and hydrants; (b) the township of East York agrees to supply schools and street lighting.

9. 4-room house, $27 per month; 5-room house, $33 per month; 6-room house, $37 per month.

MOBILIZATION ACT—FAILURE TO REPORT

Mr. DIEFENBAKER:

How many men, by provinces, are listed as having failed to report following callup under the provisions of the National Resources Mobilization Act?

Mr. MITCHELL:

Prince Edward Island	2
Nova Scotia	5
New Brunswick	74
Quebec	5,726
Ontario	1,293

Manitoba	150
Saskatchewan	98
Alberta	23
British Columbia	261
Total	7,632

N.B.—Figures are as of March 31, 1946, and include men who did not comply with mobilization orders received and men whose mobilization orders were returned undelivered and who are as yet unlocated.

NATIONAL FILM BOARD

Mr. HATFIELD:

1. How many employees are connected with with the National Film Board of Canada?
2. What does their work consist of?

Mr. CLAXTON:

1. 742 as of March 31, 1946.

2. The production on behalf of the departments of the Canadian government of films, filmstrips, still photographs, photo displays, posters, and other graphic materials, and their distribution in Canada and in many other countries.

*SALE OF GOVERNMENT PROPERTY AND MATERIALS IN HAMILTON AREA

Mr. LENNARD:

1. Has an investigation been made by the Royal Canadian Mounted Police into irregularities in connection with the sale or resale of government property and materials in the Hamilton area?
2. If so when will the result be made public?

Mr. HOWE:

1. Yes.

2. As soon as the police have completed their investigations and have taken appropriate action.

INTERNATIONAL JOINT COMMISSION

Mr. DROPE:

1. What is the International Joint Commission?
2. What is the personnel of this commission?
3. What salaries do they receive?
4. What are their duties?

Mr. MACKENZIE KING:

1. A commission, created by a treaty signed at Washington, January 11, 1909, to be composed of six commissioners, (three on the part of Canada and three on the part of the United States of America) having jurisdiction in questions relating to the use, obstruction or diversion of certain boundary waters or waters crossing the boundary and in matters of difference arising between Canada and United States interests along the common frontier. Only two commissioners have been appointed on each side.

2. A. Canadian personnel: two commissioners, a secretary, an assistant-secretary and the secretary to the chairman. B. United States personnel: two commissioners, a secretary, and a staff appointed by the government of the United States.

3. A. Salaries of the Canadian personnel are as follows: (a) Hon. Charles Stewart, Commissioner (Chairman), $7,500; (b) J. E. Perrault, Commissioner, $7,500; (c) Lawrence J. Burpee, Secretary, $4,620; (d) Miss E. M. Sutherland, Assistant Secretary, $2,358.12; (e) Mrs. J. L. Montgomery, Secretary to the Chairman, $2,178.12.

B. The salaries of the United States personnel are determined and paid by the government of the United States.

4. The two Canadian commissioners sit with the United States commissioners to consider the questions submitted to the board. The Canadian secretary acts as joint secretary of the commission with the United States secretary, and also as the executive officer of the Canadian section. The assistant secretary assists the secretary in carrying out his duties, and carries out related clerical duties. The secretary to the chairman carries out normal secretarial duties for the chairman.

*TIMBER CONTROLLER—SHIPMENT OF LUMBER BEYOND PRAIRIE PROVINCES

Mr. BURTON:

1. Has the timber controller offered special inducements to the saw mills operating in Manitoba, Saskatchewan, Alberta and southern British Columbia to ship lumber beyond the prairie provinces?
2. If so, what are such inducements?
3. Have further concessions in this respect been recently made by said controller?
4. What provisions have been made to assure the prairie provinces their fair supply of lumber?

Mr. HOWE:

1. Yes, with respect to two by eight and wider rough-dimension lumber, which is not produced in any quantity in Ontario.

2. The inducements are the same as for lumber shipped to any point on the prairies, namely, that for two cars of lumber shipped to Ontario one carload is permitted to be exported.

3. No.

4. No special provisions are necessary. Lumber of this particular class is generally surplus in most prairie yards. I may say that Saskatchewan, more than any other province, is dependent upon lumber shipped from other provinces, and it would be unfortunate for

that province if each province were dependent on its own internal economy so far as lumber is concerned.

WAR GRAVES COMMISSION—VISITING OF GRAVES SERVICEMEN

Mr. FRASER:

Have any plans been made by the War Graves Commission in regard to the relatives visiting the graves of servicemen who have been killed during service, and buried in foreign countries?

Mr. ABBOTT: The imperial war graves commission has always assisted visitors arriving in Great Britain with guidance and advice. Transportation from Canada or other facilities would be outside its purview. The present is a time of reorganization and new cemetery construction and it is not known what means for the comfort and convenience of travellers are available or likely to be so in the near future.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL FILM BOARD

Mr. HANSELL:

1. Who are the members of the National Film Board; where does each one live and what are their regular occupations?
2. In what way is the board organized and what office, if any, does each member hold?
3. Who is the government film commissioner, and is he a member of the board?
4. How often did the board meet in 1945, on what dates and who were present at each meeting?
5. Are the board meetings open to the public?
6. Have any persons other than board members attended the board's meetings? If so, who are these persons, and on what occasions did they attend?

Mr. CLAXTON: Return tabled.

MARTELLO TOWER, HALIFAX

Mr. ISNOR:

1. Is there a building owned, or controlled by the government, known as Martello Tower, in Point Pleasant Park, Halifax?
2. If so (a) when was it built; (b) by whom; (c) what was the cost; (d) what were the maintenance costs for the years 1940 to 1944 inclusive?
3. Is it open to the public?
4. Is there a caretaker in charge to show tourists through the tower?

VETERANS LAND ACT—CONSTRUCTION OF HOUSES AT BRANTFORD

Mr. CHARLTON:

How many applications have been received by the Department of Veterans Affairs for houses now under construction at Brantford, Ontario, under the Veterans Land Act?

[Mr. Howe.]

POLYMER CORPORATION—POLLUTION OF WATERS OF ST. CLAIR RIVER

Mr. MURPHY:

1. Have any complaints been received by the government regarding the pollution of waters of the St. Clair river resulting from the operations of the Polymer Corporation Limited, or any of its subsidiaries or plants since October 1, 1945?
2. If so, what is being done to remove and abate this nuisance?

VETERANS LAND ACT—LAMBTON COUNTY

Mr. MURPHY:

1. How many applications for the purchase of farms under the Veterans Land Act in Lambton county are now pending awaiting inspection?
2. How many farms have been purchased in the said county since the act came into force?
3. What was the acreage in each farm and the price paid for it?

PAYMENTS TO OTHER COUNTRIES FOR WAR PURPOSES

Mr. POULIOT:

What is the total amount of all payments made each year for war purposes in other countries outside of Canada by the dominion government or any one of its agencies since September 1, 1939?

Mr. MACKENZIE KING: Clearly the preparation of answer to this question will take some time and it should be made an order for return.

MOTIONS FOR PAPERS

INDIAN AFFAIRS—KOOTENAY INDUSTRIAL SCHOOL, ST. EUGENE MISSION, B.C.

Mr. MATTHEWS (Kootenay East):

For a copy of all correspondence between the Department of Indian Affairs and the inspector of construction of Kootenay Industrial School, St. Eugene Mission, British Columbia, during the years 1911, 1912, 1913, regarding the construction of the said school.

Mr. GLEN: The records branch advise me that, acting under authority of the minutes of a meeting of the treasury board held on March 16, 1944 (T-260350 B), the files containing the above correspondence were destroyed and consequently it is not possible to comply with the hon. member's motion.

Motion dropped.

HOUSING—APPLICATION OF ACT TO FARMERS AND RESIDENTS OF TOWNS AND VILLAGES

Hon. C. D. HOWE (Minister of Reconstruction): Perhaps the house will permit me to answer a question asked the other day by the hon. member for Souris (Mr. Ross):

I would like to ask the Minister of Reconstruction a question. Will he indicate to the house the arrangements which have been made to en-

able farmers and residents of towns and villages to take advantage of part 3 of the National Housing Act.

The answer is that lending institutions are authorized to operate under part 3 of the National Housing Act and will accept applications for loans from farmers. Part 3 of the act does not apply to loans to residents of towns and villages. Such loans fall under part 1 of the National Housing Act and the lending institutions are authorized to accept applications for these loans.

It is recognized that administrative difficulties and problems of inspection and appraisal have tended to make the lending institutions reluctant to enter outlying areas, and consequently coverage under the National Housing Act has not been all that could be desired. Recently the Central Mortgage and Housing Corporation has secured agreement from the major lending institutions for better coverage and it now appears that the fullest cooperation will be forthcoming from the lending institutions to ensure a complete coverage in these areas.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT NOTICES OF MOTION AND GOVERNMENT ORDERS ON AND AFTER MAY 8

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That on and after Wednesday the 8th May to the end of the session, government notices of motions and government orders shall have precedence on Wednesdays over all business except introductions of bills, questions by members and notices of motions for the production of papers.

He said: I have put this motion on the order paper largely to allow hon. members to express their own views if they so desire, but primarily for the purpose of meeting what I believe is the general wish of the house to get on with its business as rapidly as possible. I recall that when I introduced the motion with respect to taking Mondays the leader of the opposition (Mr. Bracken) suggested that when we considered Wednesdays again the government should perhaps give a little more latitude than it otherwise would. No doubt that was my hon. friend's feeling at the time. But I am sure that hon. members will realize that we are getting on into the months of the session now and I would say that in regard to practically all the questions that come up on private members' motions there are other opportunities during the session where hon. members can discuss these particular questions, as for example, on the estimates, in connection with some of the public bills that come before the house, and the like.

The experience thus far this session has not shown that discussions on private members' resolutions on Wednesdays have led us very far. I do not wish to press this motion at the moment, if there is any strong objection to it. I shall be prepared to modify its wording to accord with what appears to be the wish of the house; but I hope hon. members see the wisdom of getting on with government business if they really are concerned about not having the work of the session run too far into the months of this year.

Mr. JOHN BRACKEN (Leader of the Opposition): Speaking for this party I may say we shall be glad to support the motion of the Prime Minister.

Mr. M. J. COLDWELL (Rosetown-Biggar): We decided last week that we would support a similar motion, but I should like to add this word, that we did that before last Friday evening. Between eight and nine o'clock last Friday evening I think we all felt that the time of the house was not being occupied in the manner in which it should be. I make this mild protest in that regard, but we are anxious to facilitate the business of the house.

Mr. SOLON E. LOW (Peace River): The house surely has the support of this group in facilitating the business. Having in mind, as the hon. member for Rosetown-Biggar has, the way in which private members' hours have degenerated until they are practically useless, I suggest we support the motion.

Mr. JAMES SINCLAIR (Vancouver North): I am the first private member to rise to speak on this motion. The Prime Minister and the leader of the opposition are certainly not back-benchers; neither is the leader of the C.C.F., nor the leader of the Social Credit party.

It is not easy for a government supporter to oppose a government measure, and it is especially difficult when the measure is personally sponsored by the Prime Minister. I should like to be regarded, however, not as a private member differing from his leader, but rather as a private member differing at the moment from government policy.

The standing orders set aside Mondays, Wednesdays and Thursdays for the first four weeks of the session as private members' days. During the war we gave up that right because government business came first. In the first session after the war we gave up the right completely; and in this session, of the first four Thursdays the first three were devoted to the speech from the throne, which after all was government business. It is quite true that a private member had wide latitude in speaking on the address, but as government business had priority with the consent of the house, it left us only one Thursday for the

discussion of private members' business. Shortly afterwards the Prime Minister put a motion on the order paper asking that Wednesday be given up. When the motion came before the house on April 9, the word "Wednesday" was changed to "Monday"; therefore we lost a full day instead of a half day, and once again the members of the house all agreed that government business should have priority. Now we are asked to give up our last effective afternoon, because one hour on Tuesdays and Fridays for private members' bills is not the same as two and a half hours on Wednesday. The argument used, of course, is first of all that government business should have priority. In that we have shown a fair measure of agreement, because we have given our Mondays to government business. The second argument used by the Prime Minister is that there are other opportunities to bring forward the matters we wish to discuss, namely, on going into supply, on the budget, and on the estimates.

Of course the house will note that I am concerned because my resolution will be the first one to be cut off. If I speak on that subject on the budget or on going into supply I shall make my comments on behalf of the three municipalities in my riding which are concerned in the matter referred to in the resolution. The next speaker may speak, and probably will, on some aspect remote from that, and there is no obligation on the minister, either in supply or on the budget, to answer anything I have said.

If I wait for the estimates I can wait until the Ottawa grant of $100,000 in lieu of taxes comes up for discussion; but that will probably be on some steamy, sultry night late next August or early September, when the desire of the house is not to listen to debate but to push the estimates through in order to get home. On the other hand if we do have an afternoon to discuss what to my mind is important—even more important now that the dominion-provincial conference has been temporarily adjourned—the financial relations between the dominion and the municipalities, and certainly the municipalities are the hardest pressed of any of the governments in Canada at the moment, then not only can I state my case on behalf of the hard pressed municipalities of Vancouver North, but other parties can state their case and the government must make a reply. This is public business; it is not just a private member's business.

I wish to give one other illustration of the need of private members' day. Several hon. members have said to us: "Why do you British Columbia members not present a concerted story on the Japanese problem instead of sniping away at the citizenship bill, the labour estimates, and the army estimates?" One of the reasons, of course, is that we lack this opportunity. The other night the hon. member for Comox-Alberni (Mr. Gibson) and myself presented an amendment which was ruled out of order, and one of the ministers sitting near me at the time said: "If you want to deal with that you should have brought in a private bill." Judging from the way things are going, if we had brought in a private bill it would never have seen the light of day.

My resolution was put on the order paper on the third or fourth day of the session. If a resolution which is put on the order paper on the third or fourth day of the session is never discussed in the house, obviously a private bill introduced this week would also fail to be discussed here. The opportunity for logical and coherent discussion of a public measure which is not on the government's program, but is brought forward by a private member, is more important to the government private member than to the opposition. As a matter of fact I envy my colleagues from British Columbia, the young member for Kamloops (Mr. Fulton) and others, in the opportunity they have to speak on government measures. The government speaks particularly on government measures, and we who are in the background must either praise or damn. If we praise too much, we may be called sycophants; if we damn too much we are called rebels; if we do both we may be called inconsistent. Generally we keep silent.

Mr. HOMUTH: Come over here.

Mr. SINCLAIR (Vancouver North): I am happy where I am. If the government needs more time, as a private member I am prepared to give it to them, but not on Wednesday afternoon. I am quite willing to sit on Wednesday evening and give them three hours instead of two and a half. As a matter of fact the western members are willing to sit on Saturday mornings, because we have to stay here anyway.

Mr. E. G. HANSELL (Macleod): Since the Prime Minister has indicated that the reason he has introduced this motion is to give members an opportunity to discuss the matter, may I just take one moment? I am willing to vote in favour of the motion, but I do not like the idea at any time of doing away with private members' day, because I believe if this parliament is to be effective it must function as a democratic parliament, with members sitting here representing their people and not their party.

It is stated also that this motion is made so that we may get on with the business of the house. What are we doing if we are not getting on with the business of the house? Surely that is what we are doing all the time. We have these private members' days, but under our present parliamentary procedure what do they amount to? They amount to just nothing, except to allow the private member to let off steam and enable him to go back and tell his constituents, "See, that is what I said." May I suggest to you, Mr. Speaker, and through you to hon. members of this house, that it does not amount to a row of pins what a member says here on private members' days, and that goes for all of us; it goes for myself too. Unless there is some revision of our parliamentary procedure by which a private member can present a matter and then have it voted upon, we shall not have a truly democratic parliament. What we require is to have a vote on private members, resolutions and action taken as the result of the vote.

My own impression is that to-day parliament is subservient to the government. In a real democratic parliament the government should be subservient to parliament. But in the ultimate results here, that is not so. I object to a party parliament; I want a real democratic parliament. I believe that the private members' days should be democratically conducted, that decisions should be made on the matters brought before the house and the government told, by those decisions, what the people want.

Mr. J. A. ROSS (Souris): As a back-bencher of the official opposition let me say that I agree with the member for Vancouver North (Mr. Sinclair) when he says that members from distant points would be willing to sit here on Wednesday evenings and Saturday mornings if necessary to expedite the business of the house.

Despite the fact that I have a resolution on the order paper closely following his, I have also to agree with the hon. member for Macleod (Mr. Hansell), who has just taken his seat, that private members' days as they are conducted here are scarcely worth while. When I first came into the house I certainly was concerned over losing private members' days but with all due respect to the hon. member for Provencher (Mr. Jutras) who raised an objecion this afternoon—and I will exempt him because he expressed himself—on many occasions when private members' resolutions were being discussed in the house I have seen a scurrying about to round up members to speak on a certain resolution. As pointed out by the hon. member for Macleod, if we conducted these private members' days efficiently we might accomplish something, but as it is they do not accomplish much, and I should be quite willing to forgo them until we have a more democratic procedure so that we can get on with the essential business of the country.

Mr. H. W. HERRIDGE (Kootenay West): I rise briefly to support the opposition presented to this resolution by the hon. member for Vancouver North (Mr. Sinclair). I do not quite agree that private members' days are useless. At the present time it is the only opportunity that the back-benchers have to hear both sides of any current issue discussed, and I am sure that up to the present the debates on private members' days have been of advantage to the members and informative to the public at large. That is my experience from listening to the debates themselves and from communications I have received from constituents.

There is no necessity to repeat the arguments presented by the hon. member for Vancouver North, but I think that we can still retain private members' days and sit on Wednesday evenings, which I think a good many members would be willing to do; and as my hon. friend has said, the western members would be willing I think to sit also on Saturday morning. If we did that, and some hon. members would curtail to some extent their excessive language, I am sure that we should make progress.

Mr. MACKENZIE KING: Mr. Speaker, I do not wish to run the risk defeating my own motion when it is on the point of being accepted by all political parties, but I should like to say to my hon. friend the member for Vancouver North (Mr. Sinclair), who has said that his resolution would be the first to be slaughtered, that there are two resolutions ahead of his on the order paper and if the house took up either of them I am afraid that would mean on each the whole afternoon would be taken up. However, I can sympathize with my hon. friend in his wish to present the subject of his resolution to the house and have it discussed, but I believe there will be other opportunities in the session for him to develop further what he has in mind.

May I say a word to my hon. friend the hon. member for Macleod, the outstanding democrat who spoke of giving a chance to everyone to launch an attack on the government, that I have just given him that

opportunity, so he can hardly say that I have tried to take away any right of speech from him this afternoon.

Speaking of democratic government, unless I am entirely mistaken about what is being alleged as to government at Westminster having become more democratic of late, I would point out that during and since the war the government at Westminster has taken away private members' days altogether in order that headway may be made with government business. We have not gone that far. We have allowed several days as private members' days but I would be the last to say that the government at Westminster is not a democratic government.

Motion agreed to.

HOUSING

EVICTIONS ON MAY 31 FROM LONDON BLOCK, SASKATOON

On the orders of the day:

Mr. R. R. KNIGHT (Saskatoon City): I wish to direct a question to the Minister of Public Works. He is not in his seat at the moment, but perhaps the question will be conveyed to him. Is it the intention of the minister to evict, on May 31, some sixteen families from the London block in Saskatoon? If so, is the government prepared to take responsibility for finding shelter for these families at that time? The building is being used by the Department of Veterans Affairs.

Mr. MACKENZIE KING: Stand as a notice.

INDIAN AFFAIRS

FIRE ON ASSINIBOINE INDIAN RESERVE NO. 76

On the orders of the day:

Mr. E. B. McKAY (Weyburn): I should like to direct a question to the Minister of Mines and Resources, of which I have given him notice. What steps have been taken by the Indian Affairs branch to provide homes and a livelihood for the Indians left destitute by the recent disastrous fire which swept through the Assiniboine Indian reserve No. 76 in Saskatchewan?

Hon. J. A. GLEN (Minister of Mines and Resources): The damages incurred by the fire a week ago are being thoroughly investigated by officers of the Indian Affairs branch. When the report of the investigation is received at Ottawa I can assure the hon. member that the necessary steps will be taken to rebuild or repair the property destroyed or damaged and to alleviate any suffering among the Indians affected by the fire.

LOAN TO UNITED KINGDOM

APPROVAL OF FINANCIAL AGREEMENT SIGNED MARCH 6, 1946

The house resumed, from Tuesday, April 16, consideration in committee of bill No. 28, respecting the financial agreement between Canada and the United Kingdom signed on the 6th day of March, 1946—Mr. Ilsley—Mr. Macdonald (Brantford) in the chair.

The CHAIRMAN: When the committee last sat it was considering section 4, dealing with the continuation of the interest-free provision of the act of 1942.

Right Hon. J. L. ILSLEY (Minister of Finance): Mr. Chairman, I am now in a position to answer the questions asked by the hon. member for Temiscouata when this matter was before the house. I apologize to him for not having had more success in my attempts to answer his questions when the matter was before the house. I did answer some of them, but I must confess my answers were incomplete. To answer his questions completely will of course take some little time.

His first question, I think, related to the credit of the Netherlands East Indies, and was whether that country had been supplied only with money, or with some ammunition and arms; and with whom the Canadian government dealt in making this credit. The answer is that the Netherlands East Indies was not supplied with ammunition and arms but with funds for the purchase of ordinary commercial commodities in Canada. The deal was negotiated with the representative of the government of the Netherlands East Indies, and the agreement was signed by duly authorized representatives of the Bank for the Netherlands East Indies.

The second question referred to my statement that by 1950 the British would have wiped out their deficit and would be getting back to equilibrium, and then asked what about Canadian equilibrium. I referred briefly to this question when the bill was discussed by the house before, and explained what I meant by "deficit" and "equilibrium": The deficit I was referring to was not a budgetary deficit in the sense of an excess of government expenditures over government revenues, but an entirely different thing, namely, deficit or

disequilibrium in the United Kingdom's balance of payments on current account. Let me put it a simpler way. During the next few years the United Kingdom is not going to be able to get enough foreign exchange from her exports to other countries, her earnings from shipping, insurance and financial services rendered to other countries, the earnings on her outstanding foreign investments, tourist expenditures in the United Kingdom, etc., to enable her, without borrowing, to pay for the goods and services which she will require from other countries, the interest on her foreign indebtedness and other current account liabilities to other countries. In other words there will be a deficit in her current account balance of payments, which will have to be met primarily by borrowing from foreign countries. This deficit will be huge in the first year or two, but is expected to decline to small proportions in 1949 and be wiped out altogether in 1950. That is what I was trying to say at page 766 of *Hansard*.

Canada of course has no deficit in that sense. On the contrary Canada is in better than equilibrium to-day, and we expect that over the next two or three years Canada will have surpluses of substantial size in her current account balance of payments. That, indeed, is why we are making these loans or export credits—to enable other countries to buy from Canada goods and services which they would not otherwise be able to buy, at least in the same volume.

I may add that if we do not make it possible to sell our surplus production abroad in the next few years, if we are not able to build up and maintain on a high level that export trade on which so large a proportion of our people depend for a living, then we are likely to be unable to avoid continuing to show very substantial deficits in the other sense of that term—deficits in the budgetary sense.

Another question asked by the hon. member related to the deficit in the British balance of payments not covered by the proposed loans from United States and Canada, and my statement on page 766 of *Hansard* that this remaining amount would have to be found elsewhere. The question was: "Does 'elsewhere' mean all the other dominions and the other countries of the empire?" I meant "elsewhere" in this connection to cover all other countries—all countries other than the United States and Canada.

The fourth question referred to a quotation I gave from the report of the United States national advisory council to the effect that in the United States-United Kingdom financial agreement of December 6, 1945, the British agreed to the removal of trade restrictions within one year from the effective date of that agreement. It then went on to ask: "Then, what about our British preference in trade?" The hon. member also asked the same question again on page 907 of *Hansard* in connection with certain other quotations from my own address. The removal of trade restrictions to which the national advisory committee's report referred, did not relate to tariffs but to quantitative import restrictions —that is to say, import quotas and foreign exchange restrictions. The United States-United Kingdom financial agreement does not deal with tariffs, which are what are involved when you speak of preferences.

Again the hon. member asked "What payments did the United Kingdom make to Canada since December, 1940?" Well, if I understand it correctly, it is impossible to answer this question literally because many thousands of transactions would be involved. In other words the United Kingdom—I am speaking, of course, of the country or the people, not just of the government—makes a mass of payments to Canada every day—using for the purchase of Canadian goods or services or the payment of liabilities here the Canadian dollars she receives from her export of goods to Canada, the ocean freights earned by transporting Canadian goods, the interest and dividends paid on her investments in Canada, the earnings from insurance and financial services rendered to Canadians, and the expenditures of Canadians and the Canadian government and armed forces in Britain. Since December, 1940 there has been a myriad of such transactions, and it would be quite impossible to catalogue them. However, what I think my hon. friend had in mind was the statistical information which one finds in a balance of payments statement, including the receipts to United Kingdom of Canadian dollars from exports and other major sources. These Canadian dollars were all spent in Canada, and they had to be supplemented by a very large amount of additional dollars from mutual aid, and so on, to enable Britain to make all the payments she had to make in Canada.

With the permission of the committee I shall place on *Hansard* a table prepared by the dominion bureau of statistics showing how United Kingdom and other sterling area expenditures in Canada were financed during the period January 1, 1941, to the end of last year. The table is as follow:

Financing of United Kingdom and Sterling Area Expenditures in Canada 1941 to 1945
(Millions of Canadian Dollars)

	1941	1942	1943	1944	1945	Total 1941 to 1945 Inclusive
1. Sterling area expenditures in Canada						
(1) United Kingdom Account						
Merchandise exports	914	1,424	1,636	1,796	1,623	7,393
Travel in Canada	2	2	1	2	2	9
Interest and dividends to Canada	4	5	4	8	8	29
Freight and shipping	110	114	128	139	113	604
War services in Canada	45	96	105	96	65	407
All other current payments to Canada	18	16	15	22	34	105
Purchase or sale (—) of munitions plants	157	58	—205	—2	—}	—182
Withdrawal (—) of working capital	..	..	—190	..	—}	
Sub-total United Kingdom expenditures in Canada as above	1,250	1,715	1,494	2,061	1,845	8,365
(2) Other sterling area account	228	169	177	244	364	1,182
Total	1,478	1,884	1,671	2,305	2,209	9,547
2. Sterling area receipts from Canada						
(a) Current receipts						
(1) By United Kingdom						
Merchandise imports	137	116	100	94	100	547
Travel in United Kingdom	2	2	2	2	2	10
Interest and dividends to United Kingdom	66	50	51	55	53	275
Freight and shipping	28	41	40	28	31	168
Canadian war activities overseas	97	191	499	1,085	696	2,568
All other current requirements	29	34	48	53	43	207
Total current receipts by United Kingdom	359	434	740	1,317	925	3,775
(2) By other sterling area	157	123	110	111	119	620
Sub-total current receipts	516	557	850	1,428	1,044	4,395
(b) Other methods of financing sterling area expenditures						
Canadian official repatriation of securities	188	296	4	2	1	491
Canadian private repatriation of securities	46	38	36	59	70	249
Sales of gold and United States dollars to Canada	..	23	143	55	33	254
Canadian accumulation of sterling balances	728	—818	..	—4	1	—93
Loan of $700mm. by Canada to United Kingdom	..	700	—18	—57	—64	561
Billion dollar contribution by Canada	..	1,000	..	..	..	1,000
Canadian mutual aid to sterling area	..	..	503	834	838	2,175
Interim advances to United Kingdom	..	..	..	..	164	164
All other capital transactions[1] incl. errors and omissions	..	88	153	—12	122	351
Total ((a) + (b))	1,478	1,884	1,671	2,305	2,209	9,547

[1] Included in this item are currency settlements and other adjustments which were particularly large in 1942, 1943 and 1945.

It will be seen from the table that the United Kingdom's expenditures in Canada totalled $8,365 million, and that in addition to the transfer of gold and United States dollars to Canada amounting to $254 million during the period in question the United Kingdom used $3,775 million for payments in Canada, which dollars were obtained from exports to Canada, interest and dividend payments, freight and shipping services, travel expenditures in the United Kingdom and Canadian war activities overseas and other current items.

[Mr. Ilsley.]

The hon. member also asked, as reported on page 907 of *Hansard*, "What about Canada?" in connection with the statement I made that—

> British policies will influence and largely determine the policies of many other countries, including particularly the countries now in the sterling area and probably the countries of western Europe.

I think my meaning was clear. I was talking particularly of the great influence which British policies inevitably have on the policies and the economic prosperity of other countries,

because Britain is the world's greatest importer. I was thinking particularly, as I indicated, of the countries of the sterling area and of western Europe, and I was trying to show that unless Britain were assisted and encouraged to follow a liberal trade and currency policy she would be forced into restrictionist and discriminatory policies which would have an extremely bad effect on Canada, both directly and indirectly—the latter because of the effect which Britain's course of action would have on many other countries which constitute good markets for Canadian goods.

Dealing with the proposed cancellation of the British commonwealth air training plan indebtedness, the hon. member asked, how can we expect any repayment of a new $1,250 million loan if one of our reasons for suggesting cancellation was "the conclusion after much consideration that repayment of this $425 million was beyond the United Kingdom's capacity to pay within any reasonable period." The simple answer to that question is that we could not expect repayment of both the book debt and the new loan within a reasonable period, but we did feel that the United Kingdom would be able to repay the loan—over the long period and on the terms stipulated—and we were convinced that the new loan was necessary if our trade interests were to be protected. Attempting to make the United Kingdom pay off the $425 million debt on top of the $1,250 million loan, we were convinced, would have placed an altogether too heavy burden on Britain's balance of payments.

Another question asked what about "the gradual and orderly repatriation of Canadian securities owned in the United Kingdom". I am not sure that I get the point of this question. In my address—see page 770 of *Hansard*—I described this process of orderly repatriation of British-owned securities which has been going on and the undertaking given by the United Kingdom that the proceeds therefrom would be used to pay off the interest-free loan. Already repayments had amounted to over $161 million, and if they keep up at levels of the recent past it should not be long before the loan will be entirely paid off. From September 15, 1939, to December 31, 1945, total repatriation of Canadian securities from the United Kingdom aggregated $990 million.

Finally, the hon. member for Temiscouata asked about the detail of the settlement of war claims. This is a very complicated matter, but I shall do the best I can to answer the question, even though the agreement regarding the settlement of war claims is not part of the agreement before the house. It will be recalled that when introducing the legislation which is before the house I pointed out that the agreement on the settlement of war claims is a separate and distinct agreement from the one to which the house is now giving consideration. The agreement does not need to be made under the authority of special legislation; it can be made under the authority of existing legislation. I pointed out that the settlement agreement is essentially a measure to settle promptly and with a finality a large number of outstanding claims between the two governments, an objective which might otherwise take years to achieve.

As the house will no doubt realize, when the armed forces and the procurement departments of two countries have cooperated as closely and fully in the prosecution of total war over a period of six years as have those of Canada and the United Kingdom, there accumulates between them a large number of financial claims of various kinds. Some of these claims are simple in nature and definite in amount. This is true of the largest number of the claims covered by this agreement, and in such cases all that is necessary in order to reach a proper basis of settlement is normal accounting procedure.

On the other hand, many of the claims arising out of the war are more difficult to determine. In some cases, for example, the prices that should be charged for equipment or supplies cannot be settled in advance, and should be based on costs which it may take a considerable time to determine with accuracy. In other cases it is completely impossible to keep records of actual transfers, because they took place during the course of military, air or naval operations and it was not considered wise to interfere with these operations and to tie up the necessary man-power to the extent that would be necessary to keep accurate books. In still other cases, equipment intended for one purpose may be laid aside and replaced by other equipment, and that which is laid aside may be lent or transferred to other armed forces for use by them without waiting for negotiations regarding the terms on which the transfer is made. I cite these merely as general examples of the types of difficulty which one inevitably runs into, and as I go over the list of claims hon. members will see specific cases in which these difficulties have to be faced and surmounted.

There is, therefore, an inevitable lag in settling the financial consequences of all the various operations and transfers that are necessary in conducting war. The working out of these settlements might well have taken years and been the occasion of endless

disputes over the nature, magnitude and validity of dozens of claims between Canada and the United Kingdom.

The Canadian government and the United Kingdom government, therefore, came to the conclusion that it was sensible to survey without delay the large number of claims of various types the two governments had against each other as a consequence of the war, and settle them by a payment of a round sum forthwith. The results of such survey convinced both of us that the payment by the United Kingdom to Canada of a sum of $150 million would be a fair and reasonable settlement of the balance of claims outstanding, and that on such payment all the claims as specified in the agreement could then be cancelled against one another.

The United Kingdom has now made this payment, the claims are cancelled, and we are proceeding to reflect these settlements in the various accounts in our books. The public accounts for the fiscal year ended March 31, 1946, when they appear, will give a detailed record of these transactions and there will be ample opportunity for the house to discuss them in detail when the estimates of the departments concerned—army, navy, air, reconstruction and supply, agriculture, fisheries and trade and commerce—are being considered.

I might explain that the method we are following in order to make clear the process in our accounts is to establish what we call a United Kingdom general settlement account, to which are credited the payment made by the United Kingdom and the various amounts that would have been owing by Canada to the United Kingdom but for the settlement agreement. The account is then charged with the amount of the claims which Canada has on the United Kingdom.

The simplest groups of claims covered by this settlement are those in the Department of Trade and Commerce and the Department of Fisheries in respect of supplies furnished to the United Kingdom after September 1, 1945, when Mutual Aid ceased, and up to February 28, 1946, the end of the period covered by the settlement agreement. The amount debited to the settlement by the Department of Trade and Commerce, mainly in respect of wheat and flour, is $147,045,633. Similarly the figure charged by the Department of Fisheries for fishery products provided to the United Kingdom is $12,354,895. In both cases these amounts had been advanced under the authority of section 3 of the War Appropriation Act and the War Expenditures and Demobilization Appropriation Act. Both amounts mentioned, as well as some of the amounts hereafter mentioned, may be subject to some slight revision before the books for last year are closed.

In the Department of Agriculture there were advances made on behalf of the United Kingdom for the procurement of agricultural products, mainly meat, eggs and cheese, of $113,604,894. In addition, there were cancellation charges on contracts for dehydrated vegetables which were cancelled on short notice late last fall, amounting to $350,000. On the other hand, the Department of Agriculture has a credit to make to the United Kingdom account of $2,600,000, on egg contracts.

The Department of National Defence for Air has a claim against the United Kingdom of $12,736,060 in respect of the cost of training R.A.F. personnel subsequent to March 31, 1945. This was calculated on a capitation rate. On the other hand, there was a credit to the United Kingdom for equipment furnished in this training and in training Canadians in the same period, of $14,058,939. There are also credits to this account in respect of air force items of $14,225,873 for equipment purchased in the United States by the British air commission for Canadian account, and of $71,601,871 for the balance owing in respect of reserve stores and stores in pipeline behind R.A.F. squadrons overseas. This last item must be offset by an amount representing the disposal value of these reserve and pipeline stores on hand at the end of hostilities on V-E day. While the amount of such stores is known or can be estimated, it has not yet been possible to determine a proper figure for the value of them, mainly because this value depends on the price at which such stores can be liquidated in the United Kingdom or elsewhere. There is also a charge to the settlement account, now reported at $24,034,421, for equipment originally obtained from the United Kingdom and for which payment was made in the first instance to the United Kingdom, but which in fact originated in other countries to whom payment will finally have to be made when the proper prices are determined. In addition, there is a considerable number of miscellaneous debits and credits on air force account, which result in a net debit to the settlement account of $27,653,358.

The naval accounts, although intricate in detail, present no great problems, and there are no large items still to be determined. The settlement account is to be debited with

$12,351,048 for various accounts payable by the admiralty to Canada, mainly for services furnished by the dockyards at Halifax. The account will be credited on the other hand with $6,938,884 by the navy for accounts payable by the navy to the admiralty, mainly for stores and services furnished overseas to Canadian ships.

In the case of the army, the major credits to the settlement account are a balance of $160,236,844 owing to the United Kingdom by the army for the maintenance of Canadian troops in the United Kingdom and in theatres of operations between April 1, 1943, and February 28, 1946. The payments in respect of all the supplies and services obtained by the army from the British army war office and other departments were made on the basis of capitation rates agreed between the two countries. It is impossible to keep records, particularly in the field, of all the equipment, ammunition, rations and other supplies obtained by the army, or to determine accurately rates of wastage and the proper division of costs for the various services provided by the United Kingdom to the army. There is also an amount payable by the army for initial equipment of $43,775,678, and an estimated payment in respect of westbound ocean passages for December, 1945, and January and February, 1946, of $6,000,000. On the other hand, there are debits to the settlement account of $27,037,768 for Canadian ordnance supplies transferred to the United Kingdom in the United Kingdom during the war, and of $91,997,769 for various types of stores supplied by Canada but covered under the general capitation rates for maintenance of the Canadian army, as already described. The account is also to be charged with an estimated amount of $17,800,000 in respect of operating and rental charges for joint facilities in Canada. There are various miscellaneous debits and credits on army account, which add up to a total debit to the settlement account of $16,087,532.

I should draw attention to two large items which were offset one against the other and accordingly it was not necessary to compute a money value for the purpose of the settlement agreement, namely, Canada's obligation to the United Kingdom for reserve stores and stores in pipeline behind the Canadian army formations in Europe and Canada's claim on the United Kingdom in respect of certain ram tanks which, after being taken overseas by the Canadian army, were subsequently turned over to British forces to serve as armoured troop carriers after turrets and guns were removed. When the detailed role of the Canadian formations was decided upon and the types of equipment to be used by other formations were known, it was decided that the Canadian formations should be equipped with the same types of tanks as those used by the American and British forces with whom they were co-operating. The ram tanks were, therefore, left behind, and became obsolete.

The United Kingdom owes the Department of Reconstruction and Supply some well defined amounts for various items furnished to the United Kingdom after V-J day, while the United Kingdom has some quite large potential claims on the department of a general nature very difficult to determine accurately, as they include shares in profits and reserves accumulated on the accounts of the department and its corporations attributable in part to payment by the United Kingdom before mutual aid of prices in excess of the actual cost of goods to the Canadian government. Claims of the department against the United Kingdom for supplies delivered after Mutual Aid had ceased are computed at $33,636,843, including an estimate of accounts still to come for payment.

In addition, the Indian government owes the Department of Reconstruction and Supply $48,813,929 for locomotives provided the Indian government under section 3 of the War Appropriation Act. In reaching agreement for the settlement which has been made between Canada and the United Kingdom, it was arranged that this obligation of India would be assumed by the United Kingdom and form part of the settlement. The claim of the United Kingdom for the balance of equity in the general working capital fund as at August 31, 1943, has been established at $32,795,385. In connection with the United Kingdom claims to reserve accumulated in various pool projects of the department representing prices paid by the United Kingdom on pre-Mutual Aid deliveries in excess of actual cost of production, it is difficult to determine precisely the amount properly attributable to the United Kingdom. We believe, however, that when a final valuation has been reached it will be between fifty and fifty-five million dollars. In addition, there are a number of miscellaneous debits and credits on reconstruction and supply account, including a balance in the United Kingdom cash receipts account which result in a net credit to the United Kingdom of $31,681,248.

I have given some tedious explanation of this because it is probably necessary for the record, but it can all be summarized briefly now in a small table:

	Owing to Canada	Owing by Canada
Loans and advances under section 3..	$343,752,545	
National Defence—Air		$ 35,462,845
National Defence—Navy	5,412,164	
National Defence—Army		57,089,452
Agriculture		2,250,000
Reconstruction and Supply		107,772,983*
Cash payment by United Kingdom .		150,000,000
Indicated balance in Canada's favour .	3,410,571	
	$352,575,280	$352,575,280

*United Kingdom share of reserves included at $55,000,000.

That will give the committee an idea of the complications and extent and the number of transactions which had to be balanced against one another; but the more we go into them the more we think that this was a reasonable settlement so far as Canada was concerned and that $150 million was just about what was due to balance those accounts.

Mr. POULIOT: I thank the minister for the information he has just given the Committee. It is pretty difficult to accept it without reading it quietly, but I appreciate what he has said and I am aware of the difficulties that exist. I understand that he has been obliged to wait until to-day to answer the questions I put to him the other day. I have some other questions to ask him, and one of them comes from the Twentieth Century Liberal Club of Ontario. They say their members wish to know whether Canadian National perpetual bonds held by residents of the United Kingdom were surrendered to Canada at the time the gifts of money were made to the United Kingdom.

Mr. ILSLEY: Yes. All direct government obligations and Canadian National Railway obligations were repatriated and brought back to Canada, including these bonds.

Mr. POULIOT: Thank you. Before asking the questions I referred to, I have here a paper published in Toronto, though it is not listed in the list of Canadian newspapers, and I will not name it because that would give publicity to it. I presume it is read by only a very few people. It was sent to me by a friend in Toronto among my fan mail. It has an article written by Mr. Donald M. Fleming, M.P., the member for Eglinton. I quote:

When the chairman called the fourth section,—

Speaking of the last debate on April 16.

—Mr. Pouliot, the irrepressible Liberal member for Temiscouata, took the floor and delivered a storm of invective against the bill and against Mr. Ilsley and talked out the bill at the eleven o'clock adjournment.

I never used invective with reference to the Minister of Finance, who is an old friend of mine. The only insult that I was responsible for was to compare him to major and minor prophets, and I do not think that is enough to constitute libel. On the other hand, I had a compensation for what was written by the member for Eglinton. I have received a brotherhood card of Comox-Alberni Federal Liberal Association, together with a very fine letter, and I appreciate it the more because that constituency is so well represented in the house.

The minister and the Prime Minister have stated that the committee is the proper place for the discussion of the details of a measure such as the one now before the committee, and I understand that. That is why we have to ask questions, and before asking questions I should like to have the minister understand my point of view. I am not prejudiced about the matter, but I always want some information in order to be able to answer those who come to us or write to us from all parts of the country wishing to know what this is about.

I understand perfectly well the magnitude of these financial transactions, and dealing with billions of dollars is something that is more than most of us will ever do. I am interested in the trade relations of individuals of various countries, but perhaps one question which the minister answered was not properly stated because what I wanted to know was what Canada as a country did for Great Britain, and what Great Britain paid for it, during the war.

Of course, it is a question of supplies and services. Here are two questions I have on to-day's order paper, and I am not satisfied with the answer that has been given to a question of the same trend at page 358 of *Hansard*. It is a short question but it will establish our position:

40. What amounts have been (a) given; (b) loaned; (c) advanced, in virtue of each act of parliament of the dominion of Canada to any other country from September 1, 1939?

This question seemed to me to be of importance. I thought it was important to know what we have done for other countries.

41. What is the total amount of all payments made each year for war purposes in other countries outside of Canada by the dominion government or any one of its agencies since September 1, 1939?

It seems to me to be of the utmost importance, because last December the minister stated that we are not a creditor country. Therefore we must know what we have spent without receiving anything in return. I appreciate the more the information given because the agreement was signed on March 6, eight days before the opening of the session, and it was made public immediately after its signature. Naturally it was given to the press, and what we had afterwards when we came to Ottawa was just a booklet in which the agreement was published. Therefore the agreement as it stands now binds only those members of both houses of parliament who are members of the cabinet. It does not bind any other member, nor does it bind those who have expressed themselves in favour of it, if they consider later on that they have not sufficient information about it. They have an opportunity to reconsider their opinion in the light of new factors which may be brought to their attention.

To understand the subject matter of the present discussion, its threads should be disentangled because the subject matter of any discussion must be reduced to a formula. In this case it is obvious that the only question is: Shall the Canadian dollar continue to be a blood donor to the pound sterling? The minister spoke of the need of a credit of this magnitude on these terms. Well, have we the right to impose a new mortgage of this magnitude on generations of unborn Canadians until the year 2000? How many of us will be alive then? Perhaps the hon. member for Wood Mountain, who is twenty-five and who in the year 2000 will be seventy-nine and probably a great-grandfather. In that year the minister will be 106 and the Prime Minister 126. I have some birthdays here. The leader of the opposition will be 117; his financial critic will be 116. The leader of the C.C.F. group will be 112. The leader of the Social Credit group will be 100, just a centenarian. The former leader was born on the eve of my own birthday and will be 110. The Minister of National Defence, formerly parliamentary assistant to the minister, will be 101. The Minister of Justice will be 118; the hon. member for St. Paul's, 117.

I now come to the new ginger group, the young men of the Conservative party. The member for Kamloops will be 84; the member for Vancouver-Burrard, 92, and the member for Eglinton 95. I wish them all to live until then so that they will have the satisfaction of seeing the last payment of the loan.

Mr. LOW: How old is the hon. member?

Mr. POULIOT: The hon. member for Lethbridge was born on the eve of my own birthday. I will be the same age less one day, or 110 years old.

The question is not the future of Great Britain or that of the British empire. The paramount and in fact the only question is the future value of the pound sterling or the establishment of the supremacy of the pound sterling over the Canadian and the United States dollar, which may happen, but only later, and incidentally become a question of trade; now first consideration is given to a non-Canadian currency.

This so-called loan will be made in addition to the facilities extended to forty-five countries—including the United Kingdom—by the Bretton Woods agreement to establish the par values of their currency. I shall now ask the minister if he will be kind enough to tell why the Bretton Woods agreement is not used by Great Britain to have some facilities to keep the pound sterling at par, and why we should make the loan in addition to it.

Mr. ILSLEY: All facilities will be needed by the United Kingdom. The borrowing power from Bretton Woods is limited by the constitution of the fund and the constitution of the bank.

Mr. POULIOT: I thank the minister for his explanation; but if the purpose of the Bretton Woods agreement is to establish par value for currency it cannot be half par; the work should be done completely. I cannot understand how the Bretton Woods agreement would work only fifty per cent of what it is expected to do.

Mr. ILSLEY: I think it is fair to say that if the two North American loans, the United States loan and the Canadian loan, fail, or if a certain portion of the United States loan fails to go through, the United Kingdom would not remain in Bretton Woods; it could not remain in the Bretton Woods institutions. It would be useless for them to try to live up to the obligations imposed upon them by the constitution of these institutions.

Mr. POULIOT: I thank the minister again, but it shows how unsatisfactory Bretton Woods is. If that should happen, all the other nations will complain that they did not receive enough. If we look at the whole scheme we shall see it was made by the big powers. It was made not only for them but for the whole world. If the big powers are not satisfied with what they get from it, the smaller powers will not be satisfied, and Bretton Woods will mean nothing. I was interested when the matter

was discussed in the house last year, but I could not stay in the house, much as I wanted to, because my friends down home were preparing a little celebration for their member. It happened during that time. But I read it all and I was interested in the questions that were put to the minister and also his answers. My reaction was: Let us wait and see what will be accomplished by virtue of the agreement. But I realize now that without being able to get from it all that the lay people expected the United Kingdom and all the other united nations to get, the United Kingdom government has been knocking at the door of Washington and Ottawa to get an additional amount, and it is quite a big amount. I take note of the fact that the Bretton Woods agreement is not working yet.

By this loan Canada would pay to the international stabilization fund much more than the United Kingdom's contribution. The United Kingdom's contribution is only $130 million. I checked it yesterday; it is immaterial whether it is that amount or less, but there was a contribution to bring about parity of a currency which is the pound sterling. The loan is made for exactly the same purpose, which shows that the Bretton Woods agreement is not doing what was expected of it.

On April 13 one of the cabinet ministers, speaking in Montreal, said:

I have heard this loan referred to as charity.

Then he added this:

That is sheer nonsense.

That speech was reported in all newspapers. I heard it twice over the radio. Naturally it was cabled to all of the united nations. As soon as it came over the cables it went on the air and it created a commotion throughout the United Kingdom. The British statesmen were enjoying a well-deserved week-end in the country, and they were deeply perturbed. Their pride was offended. The British intelligence service rang the alarm and Sir Harold Mackintosh was prompted to answer. They could not believe that in the most loyal overseas dominion a cabinet minister had paid enough attention to remarks like that to report them, even if he denied them. Here is what Sir Harold Mackintosh said, as reported in the Montreal *Gazette* of April 15, in the same issue in which the minister's speech was reported:

Savings on Up Grade With British People

London—(Reuters)—Britain's small saver has four times more money than he had before the war, Sir Harold Mackintosh, chairman of the national savings committee, said in a statement.

[Mr. Pouliot.]

"Before the war the people of this country had deposits at the Post Office and trustee savings banks totalling £750,000,000 ($3,375,000,000). To-day deposits are more than three times as large at £2,350,000,000. Savings certificates held before the war were, with interest, worth £500,000,000. To-day the value is £1,850,000,000," the statement said.

During six years the small saver has increased his reserves of national savings from £1,250,000,000 to £5,100,000,000—a fourfold increase.

Sir Harold added, and I am quite sure the minister has seen this:

"But we must remember that these savings are potentially dangerous. If they were spent now they would bring on that inflation which their accumulation limited in the past."

In England the small saver has four times more money than he had before the war and four times more than we Canadians have now; and they do not spend it, for fear of inflation.

The British antidote to the Canadian poison appeared in the same issue of the Montreal *Gazette*, on Monday, April 15, 1946. The British government and the Canadian government have opposite methods of preventing inflation, something which we already have to a certain extent. They save and we spend, and not only do we spend, but we spend for them.

The £5,100,000,000 which I have already mentioned represents the deposits belonging to the small saver only. The big saver also has his share of what Canada did on behalf of the United Kingdom during the last five years. I had not the time to calculate the total deposits in all British banks and in the countless English banking companies, but it is my duty to inform the committee about at least a fraction of the liquid assets of the big saver in Great Britain.

In the Bankers' Almanac, 1944-45, is given a list of the deposits in twenty-four of the leading British banks. Those deposits amount to $44,972,000,000. They exclude investments in kindred concerns, and the Bank of England is also not in this list. The deposits are as follows:

	£ Million
Midland	993
Lloyd's bank	891
Barclays bank	879
Westminster bank	578
National Provincial bank	568
Royal Bank of Scotland	232
Martin's bank	180
District bank	158
Sixteen other leading banks	550
Total	5,029

In addition there are deposits in Post Office and trustee savings banks of £5,100,000,000, which makes a total of £10,129,000,000, or at $4.44 to the pound, $44,972,000,000.

What is the total amount of the deposits in the Canadian chartered banks in this country? As of February 28, 1946, the deposits in ten chartered banks in Canada were:

	$ Million
Current accounts	1,995
Savings accounts	3,077
Other currencies	56
Outside Canada	734
Total	5,862

What I have mentioned regarding Canadian savings is all that there is in the chartered banks in Canada. But what I have mentioned of deposits in the United Kingdom is only a part of their savings. There are at least eight times the deposits in the United Kingdom that there are in Canada. That is why I ask the minister kindly to tell the committee why we should make a loan of the magnitude of $1,250,000,000 to a country whose savings amount to over $44,000,000,000.

Mr. ILSLEY: The answer to that question is that those deposits in the banks in Great Britain are of no value whatever to the depositors if they wish to use them for the purpose of buying goods outside the United Kingdom. They have no value whatsoever for that purpose. But let us move our consideration over to the Dominion of Canada.

We have increased our deposits here very considerably since the outbreak of the war. The hon. member for Temiscouata gave the figures. They are between five and six billion dollars, I think. But if they were twice that, they would never enable us to buy goods that we want from the United States unless we had in this country a sufficient quantity or accumulation of gold in United States dollars. If we were all out of gold in United States dollars and we had ten billions of dollars of deposits in our banks—that is, if we owed each other that much money in Canada—it would be of no value whatever to us in buying machinery in the United States or in buying cotton or in buying coal or in buying oil or in buying any of those things that are necessary for our economy. That is the reason there have to be loans from other countries to the United Kingdom so that they will have the means of importing. It is very much more important that the United Kingdom have those means of importing than it is for this country because it has such a large population and such limited natural resources that it has to depend very largely upon imports. That is the answer to the hon. gentleman's question. It does not increase the power of the United Kingdom to buy from Canada if the deposits which one resident of the United Kingdom make in the bank of another resident of the United Kingdom go up and up and up. If you multiplied them ever so much, if their gold and United States dollars go down, they are out of the market as an importer.

Mr. LOW: With one exception, and that is if in Canada we had sufficient goods of a type which the people of the United States wanted to pay for the goods we wanted to bring back.

Mr. ILSLEY: Oh, yes; that is the way we get United States dollars with which to buy goods in the United States. If the United Kingdom can expand its exports to us, and get Canadian dollars by multiplying and increasing those exports, it is then getting something it can use for the purpose of purchasing our goods. But these goods they are multiplying in such dimensions, this large volume of currency in their own country, are of no use to them for the purpose of buying our goods.

Mr. LOW: It is that deficiency of goods in the United Kingdom which makes it impossible for them to get dollars here to buy the things they want.

Mr. ILSLEY: That is the deficiency.

Mr. LOW: The deficiency of goods in the United Kingdom to send to us to pay for them.

Mr. ILSLEY: The more their exports are limited, the harder it is for them to make imports.

Mr. LACROIX: I have gone carefully through the agreement between the government of Canada and the government of the United Kingdom, and I do not find any section which compels the United Kingdom to spend all that money here in Canada. Is that correct?

Mr. ILSLEY: The hon. member is right about that, and there is no such clause in the United States agreement. It probably would be a bad thing for Canada if there were such a clause in the United States agreement. There is no such clause in the Canadian agreement, because we know from the orders which have been placed here, and from the negotiations which have been carried on, that they are going to spend more than that in Canada, and they will have to get some of that surplus from other countries.

Mr. LACROIX: I understood that the agreement between the Canadian government and the English government, so far as the production of food is concerned, expires in 1947 or 1948. I am referring to the buying of food from this country.

Mr. ILSLEY: This is 1946.

Mr. LACROIX: After that they will be free to buy anywhere they like.

Mr. ILSLEY: We know from the very nature of things that in 1946, 1947 and 1948 they will be requiring great quantities of goods from Canada.

Mr. LACROIX: I am speaking about the agreement which has been signed.

Mr. ILSLEY: Yes.

Mr. LACROIX: Which was made between our Minister of Agriculture and officials of the government of the United Kingdom.

Mr. ILSLEY: Yes.

Mr. LACROIX: Our minister was speaking in the name of the Canadian government, of course.

Mr. ILSLEY: Yes.

Mr. LACROIX: And it is clearly indicated that after 1948 they may buy elsewhere. In fact, I understand they are doing that right now.

Mr. ILSLEY: We know that condition will continue into 1948.

Mr. PROBE: I do not wish to be considered as supporting in any way the remarks of my genial orator friend the hon. member of Temiscouata, across the floor; but when the Minister of Finance was explaining to the hon. member why the export credits built up in the United Kingdom, of British currency, were of no help in trasactions on this side of the water, it occurred to me that at no stage in the present deliberations has the Minister of Finance given us a picture of the holdings of Canadian stocks or bonds by English investors.

Mr. ILSLEY: I think I did.

Mr. PROBE: For instance, as the minister knows, preferred stock of the Canadian Pacific Railway company is held to the extent of 96·67 per cent by English investors, and in respect of common stock the percentage is 47·24. When we were overseas a couple of years ago some of us well remember having read in the London *Times* a criticism by English holders of the city of Montreal and city of Moose Jaw bonds. They were critical of the financial arrangements proposed by Canadian cities to get out of their local difficulties with the bondholders.

It seems to me the Minister of Finance is a bit remiss in not considering the holdings by United Kingdom investors of Canadian securities. Would he give us a picture of the present set-up of British-held Canadian securities?

[Mr. Lacroix.]

Mr. ILSLEY: I did that carefully in the speech I delivered in the house. I am now trying to find that part of the speech.

Mr. COLDWELL: The minister referred to it in connection with the loan of $700 million, but I do not think he gave us a full account of it.

Mr. POULIOT: The minister told us what the reduction was.

Mr. PROBE: That was only in respect of bonds held by the dominion, and for which the Dominion of Canada was responsible. I am thinking of securities other than those for which the dominion is responsible.

Mr. POULIOT: No list was given.

Mr. ILSLEY: It is estimated on the basis of the various sources of information at present available that the value of British investments in Canada at the present time is approximately $1,500 million. Counterbalancing this it is estimated there are private Canadian investments in Great Britain of $150 million, in addition to the amount owing by Great Britain to Canada under the 1942 loan, which will be approximately $500 million, after recent transactions have been adjusted by repayment of this loan.

Of the total of $1,500 million of British investments in Canada it is estimated that about one-half is the value of securities payable in Canadian dollars in common stocks; about $500 million is the value of securities payable in sterling, and the remainder of roughly $250 million is the value of direct investments in branch plants, subsidiary companies, real estate and so on.

At the end of 1939 British investments in Canada, as estimated by the Dominion Bureau of Statistics, were approximately $2,500 million. Of these, securities to the value of approximately $1 billion were repatriated or sold to Canada during the war. Of this $700 million represents the value of dominion government securities and Canadian National Railways securities repatriated through official arrangements, and the balance were private sales and sales by the United Kingdom government in the Canadian market early in the war.

The proceeds of $200 million worth of securities that have been sold since 1942 have been used, or will be used, to repay a corresponding amount of the 1942 loan from Canada to the United Kingdom.

The question that is suggested, although not directly raised, is whether Great Britain should not have been forced to sell her securities in Canada to finance—

Mr. PROBE: Well, I would not put it in that way. But I should like to have the minister explain to the committee why these were not used as a method of barter. I would not suggest that we should put the thumb on them.

Mr. ILSLEY: I will not ascribe the word "forced" to the hon. member. The question was as to whether Canada should not have required the United Kingdom to sell her securities in Canada in order to finance her purchases here instead of getting this credit from the Canadian government, or as a condition of getting the credit. This matter was most carefully and fully considered by the government after discussion with the United Kingdom representatives, and the government reached the conclusion that if Canada forced the United Kingdom to liquidate her remaining assets in Canada in order to finance her purchases here, other countries would be led to follow Canada's example, and that our action and theirs in this matter would so damage the future balance of payments position of Britain that they would be unable to follow the trade policies which we wish to see them follow and which it is in their interest to follow if these loans are available. Consequently the government considered that the proper course to adopt in regard to these securities was the same as that adopted in 1942, that is, to see that no liquidation of securities would be forced on the United Kingdom but that in so far as United Kingdom residents sold Canadian dollar securities outside the United Kingdom, and in so far as any Canadian securities held in the United Kingdom were redeemed, the proceeds would be used to pay off the 1942 loan made by Canada to the United Kingdom. In this way a gradual, orderly and limited reduction in Canadian investments of the United Kingdom is achieved, and also at the same time and to the same extent, this 1942 loan is repaid.

Britain's overseas investments represent the fruits of the savings of many generations of British people, and the means by which Britain has participated in the development of the resources of many countries. These investments added greatly to the productivity of Canada and of other countries and, indeed, the speedy and effective development of Canada was only possible as a result of the large amounts of savings which Britain invested here. Britain's overseas assets correspond in certain respects to the natural resources of other countries. Britain does not have great resources of her own, and is able to support her own large population only because she has shared in the development of overseas resources of other countries by providing machinery and equipment and skill for the development of these, and in return has obtained an equity or a security from which it derives income.

Before the war the net income of Britain from these overseas investments was approximately $1 billion a year, and this enabled Britain to pay for foodstuffs and raw materials for the British people, since Britain has been unable to export goods to a value as great as the value of her imports. As a result of the war, Britain has had to liquidate $5 billion of her investments, and to incur heavy debts. As a result, her income from her overseas investments after the war will be very greatly reduced. If we reduced it further by forcing her to sell her remaining Canadian securities, we should thereby thrust such a heavy continuing burden on the British exchange situation that she would not be able to follow the trade policies and exchange policies that we wish to see her follow. Perhaps that is not a sufficient answer for the hon. gentleman.

Then the hon. member for Quebec-Montmorency asked a question a few minutes ago. This was just a simple question which asked if there was anything in the agreement which obliged the United Kingdom to spend the proceeds of this loan in Canada. That question was raised before by someone, I think the leader of the opposition, and my answer was that the understanding was that Great Britain will use the proceeds of this loan for the purpose of purchasing goods in Canada. The answer I gave was this, as reported on page 931 of *Hansard*:

It is true that it is not provided in this loan that the $1,250 million must be spent in Canada. It was considered that in the case of Great Britain this restriction was neither necessary nor desirable.

It is not necessary because we know that Britain's purchases in Canada, requiring to be financed by some means other than its current receipts from Canada during the period in which they can use this credit, will exceed substantially the amount of credit. If they use the credit for other purchases, they will need to use other funds for purchasing here, funds derived, for example, from selling to Canada gold or foreign exchange that Canada requires.

It is not desirable because in the agreement, through the operation of article V, we require the United Kingdom to provide Canadian dollars to countries in the sterling area and to other countries in return for sterling which these countries acquire from their trade with Britain, in order that these other countries may be able

to trade with Canada. If we are imposing this obligation on Britain to provide Canadian dollars to other countries which need them for buying in Canada, then we should make it possible for Britain to use the Canadian dollars we lend her for this purpose.

I direct the hon. member's attention to the remainder of that column which I do not think it will be necessary for me to read.

Mr. QUELCH: Have we any understanding with Great Britain that Canadian securities held by Britain will not be transferred to the United States?

Mr. ILSLEY: So far as the $500 million loan is concerned, until that is paid off the securities held in Great Britain and payable in Canadian dollars must be accounted for. That is, if they go out of the United Kingdom, if they are sold outside the United Kingdom or if they are redeemed, the proceeds must be applied to the liquidation of the loan.

Mr. COLDWELL: I think a good many people in Canada are interested in these Canadian securities because we understand that a large block of them consists of Canadian Pacific stock. We made a loan of $700 million without interest. The minister tells us that that has been reduced to about $500 million. Apparently this large block of Canadian Pacific stock is owned in Great Britain. I am not sure that it amounts to $500 million. A few years ago I did ask a question about this but I have forgotten the answer. I believe it is in the neighbourhood of that figure. When this loan without interest was made we took no securities as collateral against the loan although that was suggested at the time, as the minister will remember.

Now the agreement is that when Canadian securities that are British owned are sold, we get the proceeds. I find it difficult to understand how that is any different in any great degree from asking the British to pledge these securities as a sort of collateral against the loan, so that we may, if we wish, exercise the option, as it were, of bringing these securities back to Canada.

I noticed that the question asked by the hon. member for Acadia was not answered in the affirmative. He asked the direct question, whether these securities could be sold to persons other than Canadian or United Kingdom nationals; or, in other words, whether this large block of stock in which so many Canadians are interested might be transferred to owners in the United States of America. That was the purpose of the question asked by the hon. member for Acadia, and I believe many of us are interested in that.

I think the loan of $700 million was justified, and I think the terms upon which that loan was made were justified. I think that as these securities are tied up to some extent with this loan we should try to see to it that if they pass out of the hands of the owners in Great Britain, they pass into the hands of owners in Canada. As I said before, I should like to have seen them put up more or less as a pledge or collateral against this loan.

I do not want to see these securities pass from the control of Canada—we have a certain measure of control, as it were—to the control of a foreign country. I named the United States because that is the country in which they might possibly be sold; I did not name the United States because I thought that country was more objectionable than any other country. I think that was the point the hon. member for Acadia had in mind and it was not answered by the minister.

Mr. ILSLEY: It is a much more drastic thing for a government, such as the government of the United Kingdom to requisition securities and then give what they call a positive pledge of those securities to another country than it is to give what they call a negative pledge—that is the term which is used—which leaves much more freedom to the holder of the securities. If the holder of the securities wishes to hold them, he does. If he wishes to sell them, he does. It does not involve that stepping in by the government and taking them at a particular time which the owner may regard as being a bad time for him. As a matter of fact, had there been a requisitioning—

Mr. COLDWELL: It would have been a good time for the railways.

Mr. ILSLEY: Had there been a requisitioning of those securities in 1942 the British holders to-day would have, I think, been bitter beyond expression.

Mr. CASE: When we begin to count noses we are drawing the line pretty close; and after listening to the leader of the C.C.F.-Socialist party it seems to me it is very bad policy indeed to make a loan and then attempt to tie the hands of the borrower. It is not very long ago that we looked to Britain as the champion of the greatest cause which civilization had ever been called upon to defend. We were willing at that time that she should bear the brunt of the battle with what help we could give from our resources, and we poured out our treasure and sacrificed many brave young lives to defend their cause. I think we are overlooking one of the most important features of this loan, namely, that we in Canada should desire to make this loan as much as that Britain should seek to secure it.

The minister has already referred to Britain's wealth in her banks in the nature of deposits and has explained that this, after all, represents only domestic wealth and can be used only as a credit for trade within the confines of the United Kingdom; it cannot be used outside the British isles; if it could, Britain would soon seek to discharge some of her obligations, even within the sterling bloc. Britain during the war became indebted to the sterling bloc to the extent of $14 billion, and this will have to be paid.

But the thing which impresses me most about the proposed loans, particularly the loan they are seeking from the United States, is the undertaking given by Britain that she will seek to make it possible, within a year, to exchange dollars for sterling and sterling will be changed into dollars. In other words, Britain, I believe, could carry on without this loan, even though she had to tighten her belt, but her trade would naturally be developed within the sterling bloc, to which she is already heavily indebted. Britain has already obtained a credit from Argentina by saying in effect to that country, "You can use this credit wherever sterling is acceptable", and if necessary in the post-war period Britain may, as I say, have to tighten her belt and do without things and make certain sacrifices but she will seek to repay her obligations. Not only will she seek within a year to make dollars exchangeable into sterling and sterling exchangeable into dollars; but if we grant this loan and if the proposed loan is granted by the United States of America she will be put in a position where she can go to her sterling creditors and seek to pare down all her debts, which now are top-heavy and have a tendency to depress trade. I do not know whether all hon. members appreciate this, but I have lived long enough to know that the very life blood of a nation depends on trade. This is particularly true of Canada, which produces sufficient goods for from fifty to one hundred million people. If we do not secure some outlet for this production I do not know how we shall be able to keep trading with ourselves very long, because our granaries will soon be bulging again with wheat; our agriculture will languish, and our workshops will be closed. Unquestionably the post-war period offers a tremendous buyer's market. I was interested in noting that there is a great scarcity not only of what we refer to as consumer goods, but even of durable goods of the nature of rolling stock and machine tools. Many factories will have to be retooled for machine work in the post-war period.

Britain is the hub of the trade of the world. One-fifth of the world's trade in the pre-war period moved in and out of British ports. We must seek to maintain that contact because, though Britain is in a rather rigid position to-day, she is very resourceful; and I may remind the hon. member for Temiscouata, in view of the reference made to the United States by some hon. members that when it was suggested that the United States should seek some concessions by way of military bases from Britain, the answer of the British was, either that the loan must be granted according to the terms already laid down, or, no loan at all. Those who can foresee the prospects of the future know that the world would face a grave situation were we to allow this to develop into a vicious trade war, and I see nothing else for it if this line of policy is to be pursued. My answer to the member for Rosetown-Biggar is, if you seek to have Britain pledge her securities that she may at present hold, I think it is a breach of good faith toward Britain; and I say to hon. members that we must be prepared to make this loan in a spirit of fairness, or otherwise we shall forfeit the substance for the shadow.

Mr. COLDWELL: May I interrupt the hon. gentleman? I did not suggest that we should ask Britain to pledge her securities against this loan. The hon. gentleman misunderstands me completely. I was trying to inquire about the disposition of certain securities held in Britain in relation to other loans. If the hon. gentleman would pay some attention, probably he would not be so frightfully mixed up.

Mr. CASE: My hon. friend is pretty hard to follow, when he tells us that, of all countries in the world he would hesitate to see these securities go to the United States.

Mr. COLDWELL: I did not say that. I said I was not singling out the United States as a country to which I would not wish them to go. Again I say if he would listen he would get the thing straight.

Mr. CASE: I do not know that it is going to help us any if we become too sarcastic in the matter. The fact remains that any effort made to regulate or deal with Britain's securities that she now holds would be a breach of good faith in Britain. We must seek to make the loan in the spirit in which it is sought. I feel that if we can deal conclusively, deliberately and quickly with this loan in the House of Commons of Canada, and with a degree of unanimity, it will have

a good psychological effect on the prospects of the loan now pending in the United States. For that reason I believe we should come to grips with this as quickly as we can, dispose of it, and make sure that Britain can trade with us, because in days gone by she has always been one of our best customers.

Mr. POULIOT: This is a most absurd argument, that Canada should serve as a decoy.

Mr. BLACKMORE: I merely ask the minister for information. Would it not be possible for the British government to pass legislation forbidding the export of capital from Britain and thereby enable themselves to purchase the securities from British holders when there was danger of those securities going to the United States? As the hon. member for Rosetown-Biggar has expressed himself, I feel unhappy about the fact that Canadian securities held in Britain have gone to the United States. Our difficulties with respect to trade with the United States are sufficient already without having them hold any more of our securities. I wonder if something could not have been done, or could not be done now, to make it possible for the British government to steer the securities our way, anyway.

Mr. ILSLEY: Well, the market for Canadian securities is in Canada, but of course that does not prevent Canadians who buy them from then selling them in the United States. That happens to some extent: It happened with some C.P.R. stocks, though not a very large amount. The United Kingdom controls the export of capital from its own shores and manages that control in its own interests, but hon. gentlemen need have no worry that there will be a substantial direct sale of Canadian securities to any other country than Canada, because the market for those securities is in Canada.

Mr. LACROIX: Is the minister aware of the fact that the South American states, when they receive United States dollars in payment from England, keep those as a guarantee for the issuance of their own paper money? Does he not think they may do the same with Canadian dollars if they receive any from the United Kingdom?

Mr. ILSLEY: I do not think they will be receiving Canadian dollars from the United Kingdom. It is probably true that South American countries accumulate, if they wish and to the extent they can, gold and United States dollars as reserves, just as we do, for that matter, in this country. But I have never heard it suggested that they accumulate Canadian dollars.

[Mr. Case.]

Mr. LACROIX: They may do so.

Mr. ILSLEY: I do not know just how those Canadian dollars can get there.

Mr. LACROIX: Suppose the United Kingdom sent them Canadian dollars in payment of merchandise purchased from the American states? According to the agreement between the United Kingdom and Canada, there is no provision which compels the United Kingdom to spend the money in Canada.

Mr. ILSLEY: The United Kingdom will need most of its Canadian dollars for purchases in Canada. They will need more than the amount we lend them for purchases in Canada. Some Canadian dollars may go to countries that require Canadian dollars for purchases in Canada by themselves; but I cannot see, and I have never heard, that any accumulation by foreign countries of Canadian dollars has taken place as part of their reserve.

Mr. LACROIX: But the minister has heard about United States dollars?

Mr. ILSLEY: Yes. We speak of gold and the United States dollars as the natural form in which to keep our reserves, but not Canadian dollars. Canadian dollars would be used at once for purchases in Canada by any country that obtained them.

Mr. QUELCH: I have the report of the Canadian Pacific Railway company for 1945, and I find that United States holdings of C.P.R. stock increased by seven per cent in the past year, while holdings decreased in the United Kingdom by five per cent and in Canada by two per cent. Are we to understand from the minister's remarks that this is due principally to the fact that Canadians buy Canadian Pacific stock from Great Britain and sell to the United States?

Mr. ILSLEY: Yes.

Mr. QUELCH: There is no direct selling?

Mr. ILSLEY: They have not been sold direct to any degree, as far as I know.

Mr. POULIOT: I hope it will be possible to get from the minister a list of Canadian securities that have been pledged against the loan of $700,000,000 at the same time that the gift of $1 billion was made. They are quite well known. There is C.P.R. stock. Canadian Pacific stock is now slipping out of our hands and is in Paris, Amsterdam, London, and if it goes on as it is now perhaps Canada will have only one-tenth of that stock and those securities. It is a subject of speculation. When we see all these Canadian securities over there, we think of those who take advantage of all the benefits that are derived therefrom. These

securities cannot be pledged ten times. They have been pledged for a loan of $700,000,000 which we have made, and there is an understanding between the United Kingdom government and the Canadian government that they will not be sold to anyone but Canadians.

Mr. ILSLEY: If they are sold the proceeds will be applied to the reduction of the loan.

Mr. POULIOT: Therefore the people who own securities in Great Britain can take advantage of that. They derive revenue therefrom and they receive much more than the amount of interest. I am not sure whether the loan has been made with interest. According to the New York *Times* of February 21, 1946, an interesting report was published by Secretary Fred M. Vinson of the United States treasury with regard to foreign assets held in the United States on June 14, 1941. They totalled $12,739,000,000 of property of all kinds, made up as follows: Great Britain, $3,238,900,000; Canada, $1,700,200,000; other members of the British commonwealth, $415,900,000. The total British was 42 per cent of all foreign assets and 55 per cent liquid. There are other factors that might be discussed in connection with the matter. I wonder if it is not possible for the minister to give a list of Canadian securities which have been pledged against the $700,000,000 loan. Is it possible to have that list?

Mr. ILSLEY: I have not that information at all and I do not think we ever had it. This is a negative pledge, not a pledge of positive securities. If the United Kingdom government in 1942 had requisitioned specified securities and vested those securities in themselves and transferred them by way of pledge to the Canadian government we would have known what they were. Instead of that, however, they gave an undertaking that no Canadian securities, payable in Canadian dollars, would be sold or be allowed to go out of the United Kingdom without the proceeds being applied in reduction of the loan. So that we have no list of those securities. Estimates have been made from time to time, I believe, by the bureau of statistics as to the total value of those securities on information they obtain from companies in Canada, but the amounts and values are changing from time to time and I have not a list of them. It is pretty well known that there are certain companies in Canada in which British investors have substantial interests, such as the Canadian Pacific Railway, Hudson's Bay and Courtaulds.

Mr. POULIOT: Red Rose tea.

Mr. ILSLEY: Canadian Industries Limited.

Mr. POULIOT: Barclays Bank.

Mr. ILSLEY: Not only Barclays Bank, but some other bank stocks.

Mr. SMITH (Calgary West): Largely to convince myself that I have not been completely ignorant all these years about these securities, may I ask the minister if it is not true that prior to regulations on exchange securities such as the Canadian Pacific shares could have been bought by anybody in any country who cared to buy them? There is no doubt about that, is there?

Mr ILSLEY: That is so.

Mr. SMITH (Calgary West): Then why are we so greatly concerned? Is it the idea to continue controls and say to a company, "Your shares must be owned in Canada"? I am not criticizing the minister; I am trying to agree with him. Why all this fuss now about some United States citizens buying Canadian Pacific shares? I am quite certain that a few years ago many of us would have liked to let the United States citizens have an awful lot of Canadian Pacific shares when we were trying to get rid of them. Exactly what is the point in trying to establish a geographical locus for these shares? Is it suggested that we should put restrictions on them, that they must be held in Canada? If that is not suggested, what is all this conversation about? I hope the minister will clear up my mind at least. If that is the simple truth I should like the minister to confirm it.

Mr. ILSLEY: I am inclined to agree with that to a great extent. I cannot think of any respect where I disagree with the hon. gentleman at the moment. I must say that had there been a vast movement I would have given it more consideration than I have, but the movement of Canadian Pacific shares to the United States has been so small when one takes into account control, for example, that it has had no effect. The movement has been what might be called a minor one; therefore I do not think there is anything to be alarmed about. The hon. gentleman's question is, would there ever be anything to be alarmed about? I do not know. I have not got to the place where I have my mind down to the question. There is the broader question, whether it is desirable for Canadian securities to be owned by United States citizens under present conditions, or being in the hands of United States citizens under present conditions.

Mr. GIBSON (Comox-Alberni): At $1.10?

Mr. ILSLEY: No; I was not thinking anything about price at all. Of course to the extent that Canadian securities did get into

the hands of United States citizens and our United States dollar reserves increased thereby, we are losing money as a nation because our nationals are paying dividends or interest to the United States, while our United States dollars that the foreign exchange control board gets as a result of that movement of securities earn only a small amount of interest.

Mr. SMITH (Calgary West): There is a railway called the Brazilian Traction company which is owned, or at least was owned a few years ago by Canada. Would we not create a considerable roar if the place in which this railroad is located—and I take it that it is Brazil—said to us: "The shares of this company shall only be owned in a given place"?

And hon. MEMBER: They said that.

Mr. SMITH (Calgary West): If somebody is asking me a question I wish they would ask it so that I can hear it instead of mumbling in their waistcoat to their friends, so that I cannot hear. Let us take the British shareholder of Canadian Pacific to-day and assume that we passed a law that these shares shall not be sold in countries A, B or C, but in Canada. Then, what have we done? We have destroyed a great part of the value of the shares in the hands of that individual. I am quite certain that the Minister of Finance will never come to the position where he would do that to people living in a friendly country such as the United Kingdom.

The ACTING CHAIRMAN (Mr. Golding): Shall the section carry?

Mr. POULIOT: No. The New York *Times* said something last year about the transfer of shares of stock in Canadian securities from England to the United States via Toronto, as follows:

Wall Street Topics
Canadian Pacific
(From the New York *Times*)

The recent heavy trading in the common or ordinary shares of the Canadian Pacific Railway reflects in part heavy liquidation by British investors. These shares, held in the United Kingdom, were not commandeered by the British government at the outbreak of this war, but holders were required to register them with the Bank of England. British investors now are free to sell them upon application to the Bank of England and this usually is granted in a routine manner if sales are to be made in Canada. This usually means a resale by Canadian brokers in New York. Whether the sales here will be sufficient to result in the control of the road passing to United States interest is anyone's guess. Recent figures show that 53·9 per cent of the common shares of Canadian Pacific were held by British subjects in the United Kingdom, 18·2 per cent by Canadians, 21·68 per cent in the United States and 6·1 per cent in other countries. The company has outstanding 13,400,000 ordinary shares.

[Mr. Ilsley.]

The hon. member for Calgary West is well versed upon these questions. I give him credit for that, but he must remember that General Smuts repatriated all the South African securities that there were in London. They are now owned by the Dominion of South Africa. He also knows that all the securities of the railways of India have been repatriated by India at the request of British people, not Hindus. Therefore they are the masters of their own destiny. That example comes from a great imperialist, General Jan Smuts and from the British people themselves who have made investments in India.

The question is, what is the difference if the securities are sold to the United States? I do not see any great difference if they are in the United States or in the United Kingdom. To me it is the same thing. I know I would be much more satisfied if they were held in Canada by Canadians instead of being held by non-Canadians. That is a point of view which can be discussed. There is more interest in a company when it is entirely owned by the citizens of a country. There are numerous examples and I quote only a few to my hon. friend, who knows all about the matter. With regard to the Canadian Pacific railway, we have an interest in that and we must have a return of the stock here, of all these assets. They are ours. I do not see why some gentlemen in Great Britain, some lord or somebody else, should get all the profits from those securities.

Mr. SMITH (Calgary West): Buy them from him, and get the profits yourself.

Mr. POULIOT: I have not the means to do that, but I would be delighted if my hon. friend bought them.

Mr. SMITH (Calgary West): I will back your note and see how we get along.

Mr. POULIOT: Thank you. The minister must be sorry to see those securities in the United Kingdom and not to be able to tax the revenue from them. It is a large revenue because these are paying securities. What I am surprised at is that the Canadian National securities and dominion securities which carry a small rate of interest have been brought back but the well paying securities have been kept over there, where the revenue from them is enjoyed by some millionaires across the sea. I wanted some investigation of this question last year when one of the reports of the banking committee was before the house, and it raised a furore. The Minister of Veterans Affairs rose and protested and said that I was entirely out of order to suggest that the banking committee of the House of Commons should investigate the dealings

of Toronto brokers who had acted as intermediaries for United States financiers in buying Canadian Pacific securities held until then in England. That was on November 28, 1945.

This question of foreign obligations is of great importance. I should like to know just what they are and who owns them and if they will continue to serve as security. Of course, if we are to cancel the debt we do not need any securities pledged. On the other hand, those securities are all the guarantees we have for a loan and if we relieve Great Britain of them and credit them with the amount it will be a most paying proposition; and the people of Canada will be satisfied with it. The minister knows what happened in South Africa and India. Why did the Canadian government not follow the same course?

Mr. ILSLEY: I am delighted that the hon. gentleman has asked that question because we followed exactly the same course. South Africa did not repatriate private securities but the securities of the South African government, and the same is true of India. India did the same thing. Included in that were the securities of the state railways, which are comparable with Canadian National Railways securities in the Dominion of Canada.

Mr. IRVINE: That shows the advantage of public ownership.

Mr. ILSLEY: There may have been some movement of South African private securities to South Africa by sale. There were some from the United Kingdom to Canada by sale. But no part of the British commonwealth of nations or the British empire really repatriated any private securities. That is, the United Kingdom did not invest in itself and deliver over to any part of the British empire or the British commonwealth of nations any private securities. It was done in one case that I know of and one case only and that was before the United States came into the war, when the United States was neutral. Britain ran out of gold and United States dollars in 1941 or 1942. Their holdings of gold and United States dollars went down to £3,000,000; they were down to the very bottom of the barrel, and they had to get foreign exchange somewhere to buy what they had to buy to carry on the war. So that they had to deal with the United States on their own terms, and the United States required the requisition and pledging of certain securities for a loan. That loan is being paid off. It is now down to about $250,000,000. But when Great Britain negotiated this new loan with the United States the United States did not require Britain to requisition and pledge securities, although there are many United States securities which they could have requisitioned. I have forgotten the exact figures; they are not as large in amount as they are in the Dominion of Canada, but they run into a good many hundreds of millions of dollars. The dominion government repatriated more securities in dollar value than the United States did. So far as India and South Africa are concerned, Canada followed exactly the same course as they pursued. We repatriated publicly owned securities, the direct obligations of the dominion government and the publicly owned railway system. But we did not require Britain to requisition, vest and hand over private securities. Nor did South Africa.

Mr. SINNOTT: I do not very often ask questions or take up the time of the house in debate but there is one phase of this loan on which I should like enlightenment by the Minister of Finance. I am in total agreement with this loan to Britain and the loans to other countries, but perhaps in common with other members of the house I should like enlightenment on the financing of trade with other countries to which we are extending loans. Would the Minister of Finance explain just how these loans are being made? Are they just a credit on the books of the nations from which we are going to buy our goods, or are the loans financed by the Bank of Canada or by borrowing by the dominion government from the private banks?

Mr. ILSLEY: A line of credit is extended; as requisitioned, we turn over the cash to be put to the credit of the country in question in the Bank of Canada, and they can issue cheques against that credit.

Mr. SINNOTT: Is the financing done through the Bank of Canada or by borrowing from the private banks?

Mr. ILSLEY: The amounts are not segregated. They are just like any other money which the dominion obtains by taxation or by borrowing from the public or by borrowing from the chartered banks and perhaps to some extent from the Bank of Canada, but that latter is very limited.

Mr. COLDWELL: Will it necessitate borrowing the savings deposits standing to the credit of the people of Canada in order to pay for the goods that flow to England so that the people who make them here can be paid for them in Canadian currency?

Mr. ILSLEY: Yes.

Mr. POULIOT: There was a loan of $700 million. Then there were some refunds—$18 million in 1943, $57 million in 1944 and

$64 million in 1945. We cannot check those refunds because of the settlement of the accounts. We do not have the whole list of the obligations of Great Britain. We do not have the list of the obligations, assets and liabilities. Perhaps the amount that has been deducted from the loan has been considered as a cancelled debt by the Canadian government. We do not know where we are.

Before proceeding further, I should like to ask if Canadian deposits in the bank are in the same shaps as deposits in English banks, with the exception of the small amount Canadians get to visit in the United States. I should like to know if the deposits are frozen, as deposits in Canadian banks are frozen for international spending, with the exception of the few dollars allowed to tourists who go to the United States.

Mr. ILSLEY: The United Kingdom has a foreign exchange control board which exercises control over the export of capital, just as the foreign exchange control board in Canada exercises that control here. But whether they apply the same rules or not, I cannot say. Probably they are more strict.

Mr. POULIOT: But the principle is the same.

Mr. ILSLEY: Yes.

Mr. POULIOT: Is not one of the reasons why the United Kingdom cannot dispose of those large deposits amounting to $44 billion the fact that the savings certificates are attached to those deposits in Great Britain.

Mr. ILSLEY: No. Let us suppose that an exporter of lumber in Canada is prepared to take sterling for his lumber. He can get it all right. Sterling would be deposited to his credit in a bank in London, or somewhere else. What could he do with that sterling? Could he pay his men with it? Could he pay any of his bills with it? He has to pay everything in this country, in Canadian dollars. If he were to take sterling, then, so far as this country is concerned, that sterling would be nothing more or less than an I.O.U., unless our foreign exchange people converted it into Canadian dollars.

The existence of a great mass of pounds, shillings and pence in the United Kingdom owed by certain residents of the United Kingdom to certain other residents of the United Kingdom does not give the people of that country any value for the purpose of obtaining goods from other countries. What they must have is something different altogether. They must have liquid reserves, and we generally sum them up as gold or United States dollars. That gives them an external position. It gives

them power to buy from abroad, to import and to live. That is the perilous position in which the United Kingdom is placed, namely the difficulty of keeping herself in a position where she has those liquid reserves. This great mass of internal indebtedness of one United Kingdom citizen to another United Kingdom citizen is not wealth, at all.

Mr. COLDWELL: Is it not a fact that it depends upon the ability of the country whose currency one holds to supply goods in return for that currency? Let me illustrate my point. The hon. member for Lethbridge, some other hon. members and myself were in Lisbon several years ago. We had very few United States dollars; but because we went via Newfoundland to Great Britain, most of us had a substantial amount of pounds. We found that when we wanted to get a small amount of Portuguese escudos, we could get a substantial quantity of the Portuguese money for a United States dollar. But when we tried to get something for the pounds we had in our pockets, we found all we could get was the equivalent of about two United States dollars to the pound. Why? Because the people of Portugal could buy United States goods with United States dollars. But they could not buy British goods with British pounds, because no goods were available owing to the war condition. In other words, the amount of sterling they held was so great that they did not want more of it. But they did not care about the amount of dollars they held, because they could get goods in return.

That is the same point we are now discussing. They do not ship sterling pounds; they ship goods. The money in the banks of Great Britain in the form of sterling is no good to that country.

Mr. ILSLEY: So far as purchases abroad are concerned.

Mr. COLDWELL: Where we go wrong, I think, is that we think in terms of money when we should be thinking in terms of goods. If we could only think in terms of goods we would have the key, but if we think in terms of money we become confused.

Mr. POULIOT: It shows that history repeats itself, because we are going back to barter. Money has no value—a condition which I find extraordinary. But if it has no value, how is it that we have to supply some of our own?

I said at the start that the Canadian dollar was a blood donor to the sterling pound. It is just pump-priming now. There stands on the order paper in my name a question which, I suggest, shows the effect of that barter. We

shall not be paid by pounds sterling; we shall be paid in British goods. The more we receive, the less we shall send.

This is what was said by the Minister of Finance a few days ago and I shall read it for the benefit of those who may not have read it:

Next year, that is in 1947, the amount of this deficit with Canada—

That is, the United Kingdom deficit.

—will be reduced both because of lower expenditures of Britain here and because British exports to Canada will be at higher levels.

The minister seems to be reluctant to use the word "imports", when he says "lower expenditures of Britain here and because British exports to Canada will be at higher levels."

Because the minister stated at page 763 of *Hansard* the vital importance to Canada of the reestablishment, expansion and continued development of foreign trade, I asked this question:

Referring to the statement of the Minister of Finance, as reported at page 766 of *Hansard* of April 11, 1946,

1. On what basis did he arrive at calculating "the lower expenditures of Britain here" in 1947?

That is next year. Naturally some orders have been given. Then my question continues:

2. By "expenditures of Britain here" in 1947, did he mean Canadian exports to Britain?

3. How did he figure out that they will be lower?

4. What will the prospective "expenditures of Britain here" or the Canadian exports to Britain be in 1947?

5. Referring to his following statement how did he calculate "a higher" level of British exports to Canada in 1947?

How did he calculate a higher level of British exports to Canada in 1947 as compared with what they were in 1946? Then, what will cause the 1947 level to be higher than that of 1946? Here is another: What goods are expected to be shipped from Britain to Canada in larger quantity in 1947 than in 1946? What goods are expected to be shipped from Canada to Britain in smaller quantity in 1947 than in 1946?

Those are the crucial points of the whole matter. During the war our shipments to Britain were unpaid for they were a gift. Shipments from Great Britain to Canada were paid for. That makes a great difference. Trade cannot be unilateral; we cannot go on making gifts like that indefinitely.

We are told that if these loans are passed by this parliament and by congress England will have money to buy. But it will be our own money that will be used. It will be a business proposition only when they start to refund the loan. Otherwise it will not be a business proposition; it will be a gift. If you give a boy $10 and he buys something in your store, it will not be a purchase. You will lose money; you will not make a profit on such a transaction.

There is one point in the argument of my hon. friend to which I object most strongly. He says that England was our best customer during last year. We do not have separate statistics for exports that were made as gifts and for exports that were paid for. I asked the minister if it was possible to get them separately and he told me it was not. Therefore the Canadian public's idea of what our trade consists of is a mere illusion.

England is entering a period of reconstruction and reconversion, as are all other countries. It is said that if we continue as we have been doing our imports from Britain will increase and our exports to Britain will decrease. I cannot understand it.

Mr. ILSLEY: Notice was given by the hon. member for Temiscouata of these questions but I am afraid I cannot answer them to-day. I hope he will not make their being answered a condition of agreeing to the present bill.

Mr. POULIOT: Not if the minister could answer broadly.

Mr. ILSLEY: His first question was:

On what basis did he arrive at calculating "the lower expenditures of Britain here" in 1947?

Well, we did not expect them to be nearly as large in 1947 as they had been in 1946. The next question was:

By "expenditures of Britain here" in 1947, did he mean Canadian exports to Britain?

Largely, yes. That is what is meant by "expenditures of Britain here" in 1947.

How did he figure out that they will be lower?

One reason why imports from Canada will not be as high in 1947 is that the United Kingdom is getting back to a civilian economy and will be producing some of the things which otherwise she would be obtaining from the Dominion of Canada.

What will the prospective "expenditures of Britain here" or the Canadian exports to Britain be in 1947?

I shall have to get estimates of those a little later. The next few questions have been answered fairly well by what I have said, and we then come to the last two questions which the hon. gentleman says are the important ones:

What goods are expected to be shipped from Britain to Canada in larger quantity in 1947 than in 1946?

What goods are expected to be shipped from Canada to Britain in smaller quantity in 1947 than in 1946?

We shall have to get information about that. I know that the wartime prices and trade board is continually trying to get supplies from the United Kingdom. There are some things we should like to have them send us in considerably larger volume than we have been able to get them to send us up to the present time. We should not worry under present conditions about our exports going down somewhat and our imports going up somewhat; that should not be a worry of Canadians at the moment. Canada needs many things at the present time; there is a serious shortage of some articles and some diminution in exports would be a good thing for this country under present conditions.

Mr. BENTLEY: I think the minister said that Great Britain must import in order to live.

Mr. ILSLEY: Yes.

Mr. BENTLEY: That is because she needs so many things she cannot produce herself?

Mr. ILSLEY: Yes.

Mr. BENTLEY: The minister should endeavour to correct some of the propaganda in our capitalistic press of Canada when they tell the Canadian people that we have to export or die. There are many things that we need in order to live and there should be some government pronouncements to put over that idea.

Mr. POULIOT: I do not wish to talk out this bill but there are some other observations I should like to make. I want to tell the minister that I sympathize with him in his difficulties, in connection not only with this legislation but with other similar legislation that he has introduced since 1942. We should try to have a Canadian national feeling when we discuss legislation of this kind. It is said that we shall receive more goods from the United Kingdom and that we shall send less over there. We are going to send less goods even when they are being bought with our own money.

The businessmen of this country want markets all over the world, not only in the United Kingdom but in South America and in Europe. One of the best markets in the world is that of South America. I am greatly concerned about this change in policy. The Minister of Reconstruction decided to convert war plants into manufacturing plants, but he had to change his mind a short time afterward and then go back to the manufacture of munitions. That change was made because someone objected.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

PRICE CEILING POLICIES WITH RESPECT TO FARM PRODUCTS

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved that the house go into committee of supply.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, a motion to go into supply gives an opportunity to members of the house to raise matters which they regard as of importance either to the house or to the country. I wish, therefore, to raise a question of major importance to the chief primary industry of this country and to the country itself, namely the inequitable position in which agriculture now finds itself and the lessened production as a result of that inequity. For the purpose of bringing this matter to the attention of the house I move, seconded by the hon. member for Vancouver South (Mr. Green), this amendent to the motion:

That all the words after "that" to the end of the motion be omitted and the following substituted therefor:

"This house is of the opinion that the government's price ceiling policies with respect to farm products are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies."

I said the question I wished to raise was that of the inequitable position in which agriculture now finds itself and the fact that, for this and other reasons, production of farm products is going down. These are the reasons I am bringing this matter to the attention of the house.

Production in agriculture is lower now than it was last year, in dairy products, in poultry and in hogs, and it is still falling in all these three sections of our agricultural economy. In the beef cattle branch of the industry, while the supply is high, there is a bottle-neck in marketing owing to the price ceilings on beef, and their administration. There are price ceilings on beef but no price ceilings on live cattle or on the different grades of live cattle.

On the United States side of the 49th parallel the price of wheat, if we take into account the recent bonus of thirty cents and the increased value of United States exchange, is now equal to a dollar a bushel more than it is on this side of the line, in Canada. The result is that if that difference in price continues, with a normal crop of wheat in Canada the farmers of this country will contribute to the maintenance of this price structure a sum approaching

$200 million a year. I have referred to wheat because it is the largest of our agricultural export commodities. On Saturday last, two days ago, the price of No. 3 northern wheat in the United States just across the boundary from southern Manitoba was $1.68½; the subsidy of thirty cents brings it to $1.98½; then, with the exchange added of twenty cents a bushel, the value of No. 3 northern wheat at that point in the United States amounts to $2.18½ a bushel. At the same time, at Gretna, Manitoba, just on this side of the line, the price of No. 1 northern wheat is $1.08 a bushel, to which of course would be added whatever may be the value of the participation certificate; nobody knows what that will be—possibly fifteen cents. I have compared the price of United States No. 3 northern with Canadian No. 1 northern because those grades are of approximately equal value. If we take the grades having the same name on the two sides of the United States boundary the difference is a little less. These figures go to show that at this moment the price of wheat on this side of the boundary line is nearly a dollar a bushel less than it is on the other side. That means that farmers are paying a disproportionate share of the cost of Canada's price stabilization policy. If we have 200,000,000 bushels or more to sell, and if that difference is maintained, it means a contribution of nearly $200 million by that section of our agricultural economy. My view is that there can be no justification for Canada holding down the price of its chief export commodity, wheat, to a figure almost a dollar a bushel less than the price received by our chief competitors on the other side.

With respect to beef cattle the situation is confusing. It is confused by the absurd method of having a ceiling price on beef but no ceiling price on the different grades of live animals. Since there is no grading of live animals we are finding now with the increased demand that the spreads between the different grades are not sufficient to encourage the production of high quality beef. We find that, while farmers who produce grass-fed cattle are not too much discouraged about the outcome, those—or many of them—who produce grain-fed cattle, who fed them last fall and through the winter are finding it impossible to sell them at a profit.

The commission men in the part of the world where I am acquainted report, as I have said, that producers of grass-fed cattle are not disturbed, but producers of grain-fed cattle cannot carry on except at a loss, and this view is commonly held—I express no personal opinion about it, for I do not know—that the few grain-fed cattle which are reaching that market now are to a considerable extent being shipped east to be absorbed into a black market. As I said, I express no personal opinion on that subject, but that view is commonly held. This policy on the part of the government tends to discourage the production of high quality beef. Those producing beef cattle find that the spread in price between the lower grades and the higher grades is now too small to justify the production of the higher qualities, and there is a growing feeling that if the government is to continue price ceilings there should be a dominion-wide grading system carried right back to the producers so that there will be price ceiling differentials on the different grades of live cattle.

With regard to other products, poultry production is also going down. It is expected that there will be a shortage next winter, not a shortage for Canada but a shortage in the total production The same is true of bacon. The suggestion is that we are not likely to be able to meet the maximum commitments made to Britain.

On the whole, farm production in Canada has been declining since 1944; 1945 was lower than 1944, and 1946 will be lower than 1945. I suggest that, if the farmers were given the necessary stimulus to produce, the situation would be greatly improved. The government should have been watching this situation more closely. It should have raised farm price ceilings in line with increasing costs of labour and other items of production. Not only are farmers' costs increasing, but in the case of farm labour they are finding it difficult to get it at any price. If these things had been done we would not to-day be faced with declining agricultural production.

Those are the two points I wished to lay before the house. The first is the inequity to farmers, with rising costs on one hand, which have not been adequately met by any price adjustments on farm products the government has made. For example, in the case of butter the price increase was too little and came too late On the one hand, I say, we have rising farm costs and, on the other, farm prices not being adequately raised. That produces a condition of inequity. With shortage of farm labour and higher wages in other industries, farm labour is not returning to the farms in the way it might have been expected to do, in the way it did in days gone by; and when it does go back farm wages are twice as high and sometimes more than twice as high as they were.

These conditions combined are resulting in lessened production. In these days what we should be striving for is maximum production,

particularly in the field of food products. It is for these two reasons—inequity and decreasing production—that I have brought the matter before the house for discussion to-night.

Hon. J. G. GARDINER (Minister of Agriculture): The question which has just been raised by the leader of the opposition (Mr. Bracken) ought, I think, to be replied to at once particularly in relation to agricultural production. The broad statement has been made that agricultural production has been going down because of the prices policy of the government. I am not going to argue the question in regard to the effect of the prices policy on production in Canada, because the leader of the opposition himself has not introduced any proof whatsoever of the statement he has made. But some general statements have been made in relation to wheat and in relation to live stock products which I think should be answered.

The first is to the effect that the price of wheat is higher on the United States side of the line than it is on the Canadian. There is nothing new about that. One can say that the price has been higher on the United States side than it has been on the Canadian side at least ever since the war started. I am not sure how far one could go back and still have that statement true, but the price of wheat has been higher on the United States side of the boundary line than on the Canadian for a considerable time. Nevertheless we had a higher production of wheat in 1942 than we have ever had in this country with the possible exception of one previous year, and certainly the highest production per acre that we have ever had.

The most important phase of the question, however, is that the reason for the present price level in Canada is to try to conform with a matter of a policy which has been advocated by farm organizations, in western Canada at least, ever since I have been in the west, namely, since 1901, and, I believe, for many years before that. As a matter of fact, it was the chief thing that farmers had in mind when the Canada Grain Act was first placed on the statute books of the country, the thought being that some day we should desire to have a stabilized price for the most important commodity which is exported from Canada, and particularly from the west.

The first time we have ever had an opportunity to test out the possibility of having a stabilized price for wheat for the Canadian farmer is the present. To-day we are faced with a situation where Britain, who is the chief consumer of our exported wheat; France, who is perhaps the second greatest consumer of our exported wheat in normal times, and when they are not preparing for wars in Europe; Belgium, who is another large consumer of Canadian wheat; and Holland, are all approaching this government—and we are discussing the matter with them—to set up agreements which will give stability to the sale price to the wheat farmer of western Canada. In order to give an opportunity to have these discussions, we said during the last session of parliament that the ceiling price of wheat to those countries in the meantime will be pegged at $1.55 a bushel No. 1 northern Fort William. We have adhered to that position up to the present time, and during the intervening period these discussions have been going on.

If we are ever to obtain the results we started out to obtain on behalf of agriculture we must stay with our objective sufficiently long at least to prove whether we can carry through to the objective or not. It is, I believe, admitted by all farm organizations that up to the present time neither this government nor the governments of Britain, France, Belgium and Holland, with whom we have been negotiating, have had sufficient time to arrive at a final conclusion in connection with a proposal as far-reaching as this. In the meantime, however, we have been holding the price ceiling at $1.55.

The other side of the question is that while there has been some going up and going down of prices, one commodity that the leader of the opposition speaks of, and has spoken of most often during this session, is hogs. He says that hog production is going down. I suppose he is not aware that in recent weeks, as a matter of fact at the present time, the price of hogs in Canada, all things considered, is higher than can be obtained in the United States, and still the numbers of our hogs, as has been stated, has been going down. In other words, in one case, in the case of wheat, we are told that because the price is higher in the United States than in Canada and the price of wheat is going up in the United States as compared with Canada, that is the reason for our production going down or being down in Canada. On the other hand, in spite of the fact that hogs have been going up in price in Canada and going down in numbers, the price is down on hogs in the United States as compared with Canada.

The fact of the matter is that the weather and other conditions associated with the production of farm crops were quite different in 1945 from conditions in 1942 and 1943 and to a lesser degree in 1944. As I have said in this house before, as a result of that the production of feed grain, or at least the quantities

of feed grain stored in this country that are available to farmers with which to feed, have been going down, and farmers themselves have reduced the numbers of live stock to be fed to conform with these facts.

I come now to another question which was raised, namely, that having to do with dairy products. It was suggested that the production of dairy products is going down. As a matter of fact, we are milking more cows in Canada to-day than before. The cow is the source of the supply of dairy products. If we are milking more cows in Canada it is hardly right to state that the production of dairy products is going down as a result of any policy followed in this country at the present time.

The Minister of Agriculture of Ontario misrepresented the position the other night, probably unintentionally. He is reported to have said something in relation to the price of milk, that it had some bearing on the number of cows being exported to the United States, and that these numbers were greater than ever before. I recall that when that question was raised on the floor of this house some two or three years ago I rose in my place and said that so far as I was concerned, irrespective of what other members did, I was not going to advocate the setting up of any policy that would stop the export of cows to the United States. One of the best paying products that the farmers of this country have to sell to the United States is dairy cows. One of the export products upon which there has been no obstruction placed on the boundary line of the United States is dairy cows or breeding stock generally. Farmers who prior to the war knocked their calves on the head the day they were born now feed these calves until they are two years old, breed them and sell them in the United States at profits in order to bring more returns to the farms in different parts of the country.

The records show that to-day we have more dairy cows than ever before in spite of the fact that we are selling more dairy cows to the United States than we sold before, or at least many more than we have sold in recent times. They are being sold at good profits which bring good returns to the farmers. In other words, it requires a great deal more than just a resolution or an amendment of the motion to go into supply to prove that the farming situation it is claimed exists to-day or any reduction in production is due to the price ceiling policies which have been followed by the government in relation to farm products.

The suggestion has been made that we have no ceiling prices on cattle. The leader of the opposition knows, as I know, that there are very few farm organizations anywhere between British Columbia and the Atlantic ocean which have passed resolutions or given support to rail grading of beef or the grading of beef in the manner which was suggested a few moments ago. As a matter of fact, as I recall it, the province from which the leader of the opposition comes—and I think he associated himself with the objections—has been the chief objector to the rail grading of hogs, which has been pretty well accepted in other provinces right across Canada, and is still objected to by Manitoba. Some farmers in that area have objected to the rail grading of hogs, taking the position that it gives the advantage to the packing houses to have the dead hogs hung up in the packing plant before they are actually graded and before the price is set for them. These same farmers in season and out have consistently objected to the grading of cattle upon the rail. I doubt very much whether there is any other way in which cattle can be successfully graded than on the rail.

Let me repeat that farmers right across the country, from British Columbia to the Atlantic have been objecting. It is true that in the Fraser river valley we have been grading cattle on the rail for some considerable time. But that is a restricted area into which beef comes from outside for marketing as well as beef which is produced in it. All of it has to be graded. We have tried out rail grading there as an experiment with the idea that probably some day we may find it possible to have rail grading applied across the country. But when it is said that in setting the price ceiling for live stock the prices board is to be condemned because it did not place a ceiling based upon grading upon cattle, I, for one, am quite prepared to take some responsibility for the board not having done so, and I think every farm organization that knows the situation which existed in this country in 1941 will support me in that contention. The price at which beef sold at retail in 1941 was just as high as the price back in 1928 when the price of cattle was two or three cents higher than the price of cattle in 1941. Those of us who were following the markets in connection with cattle and beef at that time took the position that it would be absolutely unfair to the farm population of this country to have a ceiling put upon cattle as they were being sold in 1941 when ceilings were put on other commodities in this country.

Back in 1928 steak was selling at 48 cents a pound, and cattle were selling at twelve cents a pound. In 1941 the price of steak was 48

cents a pound or some price related to that, and cattle were selling at around nine cents a pound. We took the position that cattle had to go up before any ceiling price could be set upon them.

Let me note that at the present time when retail prices of beef have not been advanced greatly—they have been advanced slightly since 1941—finished cattle are selling or have been selling at around twelve cents a pound, which was the price that was obtained back in 1928 when beef was selling at comparable prices. We took the position back in 1941 that cattle should rise before any attempt was made to put any ceiling upon them. Not only are they selling at twelve cents a pound at the present time—I believe that this morning's price list showed them selling as high as 12·75 and 13·50. Since the decision was taken by the packers a week or so ago that they were not going to pay more than twelve cents a pound, or $10 less per head than they had been paying previously, the price had gone down to twelve cents. It came back to over thirteen cents last week.

I should like to make one criticism of the action that was taken three weeks ago which I hope will be understood by the packing houses. I believe most people were surprised when the president of a packing house came out and said that he was going to pay $10 less per head for cattle right across Canada than he had been paying, and that all the other packing houses were going to do the same thing. I doubt very much whether we expected under controlled prices that any individual in Canada could come out with a statement of that kind. As a matter of fact, I am not altogether sure that the proper price level for cattle, with the ceiling price on beef at its present level, is 12 cents or 13 or 13½ cents in Toronto I do not think anyone can be absolutely certain of it. But there is one way in which it can be determined whether the proper price level is there or not, namely, by having the price levels determined by competition in different areas and enforced wherever they are set. If the price ceilings on beef are enforced and individuals across Canada who have beef to sell are able to place it on the market and make satisfactory profits for themselves in doing so, I doubt very much whether it should be open for any individual or any group of individuals to come out and say that they were going to control the price level by making certain orders in connection with it. I think my contention in that regard has been borne out by what has happened, namely, that when cattle were held off the market prices returned. I am not certain that the contention of the leader of the opposition is correct. He says that the finished cattle are not in the country, that they have not been produced. Well, that is a possibility, but during the last two or three weeks we have been told that men have been ordered to keep their cattle at home.

Mr. BRACKEN: I did not say that, Mr. Speaker. I said that with this condition obtaining farmers were not encouraged to produce high quality cattle.

Mr. GARDINER: Well, if they were not encouraged to produce I suppose the assumption would be that production was down, and it was down because of the fact that they had not been encouraged to produce, the result being that beef is not coming on the market at the present time. Beef did come to the market very freely until about three weeks ago, I think, and then this suggestion went out that farmers would be paid $10 a head less for their cattle when they came on the market. After that order was issued the farmers stopped delivering finished cattle to the market; but this morning I heard it announced over the radio that for the first time in three weeks the usual numbers of cattle were coming back on the market. I presume they are coming back because at the end of last week prices were up again to around 13 cents, or 13½ in some cases for the best finished beef, so that cattle are starting to move to the market again.

The point I wish to make is that these difficulties come up not because of the general price policy of the government in relation to farm products but owing to the fact that some persons take actions they are not justified in taking, and possibly something should have been done about the matter. In any event the markets are righting themselves at pretty much the levels of three weeks ago. Production records for this year, however, cannot be judged by what has taken place in the first three months of 1946. As I stated at the beginning of this session, our grain supplies were down when we came into this winter season, and as a result feeding has been down during the winter. But no one knows what the position will be in relation to the feeding of livestock during this summer. It depends entirely upon moisture conditions right across the country and the amount of grass available, as to whether we shall have finished cattle coming off the grass throughout the summer, or whether we shall have more milk coming from our cows during the summer and therefore a greater production of dairy products of one kind or another. If we have good grass, with a greater number of cows than we have ever had before, cer-

tainly we shall have a greater production of dairy products than we have ever had before. On the other hand, if we have the usual acreage of wheat—and I assume we have that usual acreage or perhaps more than during the past few years—and if we have good rains during the summer months, we shall have wheat and feed supplies again for the succeeding winter. But if these things fail to happen, in relation to both the amount of grass available and the feed supply, no change in price policy will produce more farm products, in the form of live stock and live stock products, than we have at the present time. This year we fed all the grain that was available in this country. We could not have fed any more no matter what had been the price for live stock products. Therefore I say to the house it was not the price policy that created any existing condition in relation to production.

As to butter, the other product mentioned, on a number of occasions I have said in the house that our production of creamery butter, which is the only butter as to which we have any real records, for the last three years has averaged more than 40,000,000 pounds more than during any previous three-year period in at least recent times. It is not the fact that production is down that makes it difficult to secure butter in certain places; it is the fact that consumption is materially up, and with consumption so much higher we require a certain control over the distribution of butter throughout Canada.

I make this reply, Mr. Speaker, in order to avoid having the suggestion go out that our agricultural production will be so far down this year that we shall not be able to supply the markets which are depending upon us for food this summer and next winter. This country is not going to gain by having any such impression go abroad at the present time. There are people who are absolutely depending upon us. They are relying upon this country to produce their food supplies for next year; but as soon as we convince them that we are not going to have the food supplies available there will be only one thing left for them to do, that is, search around the world to make certain that food supplies will be available to the greatest extent possible. Therefore I suggest that we are not doing this country a service by suggesting, in any speech made here or any resolution moved, that our production is in danger of going down to levels of which we have never dreamed, and that our farmers are entirely dissatisfied with their returns. I know they are dissatisfied to a degree with the returns in certain cases; but in all my experience with agriculture in this country, extending back to 1901, I do not think I have ever known a time when more farmers have expressed themselves as being fairly well satisfied with existing conditions. That would not justify me in saying we should not do anything to try to improve their condition We should be doing that at all times. But to give the impression that we have no prospect of having food in this country with which to supply the markets depending upon us is not going to assist either the farmers of this country or those who in other countries are looking to Canada for food in the months that lie ahead. We shall get better results by supporting the policy which is being followed at the moment of dealing with governments elsewhere for the sale of our farm products at prices which will stabilize the returns to the farmers, and then asking the farmers to produce under the price levels made possible by the arrangements entered into, than by anything else we can do. But if every time we get a stabilized price for any commodity we are going to spend the greater part of our time shooting at that price and saying that for the time being the price realized by someone else is higher, that is the surest way I know of to get rid of what the farmer has been asking for many years.

Those who are telling us to-day to empty our bins to the last bushel in order to do something or another; those who are calling upon the farmers to deliver as they have never delivered before everything they produce on the farms, can create a situation the very opposite to that for which we have been striving by our policies and for which the farmer himself has been striving. For example, suppose we entered into an agreement to deliver an average of 250,000,000 bushels of wheat annually to a group of countries for a period of five years. Suppose, before starting to do so, we had taken every bushel of wheat out of our bins, so that none would be carried over into the succeeding year. Then suppose we had a crop failure. There would be no possibility in the world of carrying out the agreement we had entered into. Experience over the last twenty years has shown that if we carry on as we should in this country and produce 560,000,000 bushels of wheat when we can, under good weather conditions, and produce only 200,000,000 bushels in another year, when weather conditions are poor, our average production will be about 390,000,000 bushels a year. Experience has shown, also, that we can take our own requirements for seed, feed and food out of those 390,000,000 bushels and market about 250,000,000 bushels outside this country every year. But we cannot do that

unless we establish something like the ever-normal granary in this country. When we allow anyone, for any purpose whatsoever, to put over propaganda in Canada which takes wheat out of the bins of the farmers, in this or in any other year, and leaves the position such that if we had a crop failure we could not supply the demands of the countries dependent upon us in the years ahead, we would have destroyed forever the possibility of having stabilized farm prices for farm products in this country, and we have established again a situation where the only thing we can rely upon in connection with the sale of farm products is the process of speculation.

It is far more important at the present time that we should be able to establish a stabilized price of, let us say, $1.55 a bushel for five years, than that we should simply look over the United States boundary line and say that, because they were dealing with a special situation in their country under which they pay thirty cents a bushel additional, we should step into the same line of policy in this country, despite the fact that we have not followed the same policy which they followed in connection with price controls throughout the entire period of the war.

If we can have our stabilized price established, and if we can produce the quantity required during the next year or two to supply the market we may agree to supply, then we have gone a long way toward establishing for the farmers of western Canada, in relation to wheat prices and wheat production, stabilized returns over a long period of years. To me, that is far more important than a price of $1.75 or $1.85 for the time being with the possibility of seventy-five cents in a year or two years hence.

We want prices stabilized, if we can do that at all; and we want the situation dealt with so as to assure that that can be done. It is most important that it should be done.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I do not just follow the procedure of the house. When we moved into supply on the last occasion I tried to raise a grievance. The order paper carried my motion until last Monday, at which time it disappeared from the order paper.

However, I am not complaining about that this evening. I wish to have a few words to say on the motion introduced by the leader of the opposition (Mr. Bracken). I notice that the motion reads:

> This house is of the opinion that the government's price ceiling policies with respect to farm products are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

[Mr. Gardiner.]

I wish to make it perfectly clear that we have stood wholeheartedly and solidly for the stabilization of prices. I believe with those who accept the same point of view, that the farmer does not want a high, speculative price at one period and a low, depressed price at another period. He wants a price that is not a speculative price, but rather one which is based upon the cost of production, and which bears at least some relationship to the things he has to buy.

I agree with the amendment to this extent, that the farmers in Canada are being discouraged, and that we are imposing an unfair share of the burden of maintaining the government's price policy on their backs.

But I am approaching the matter from an entirely different point of view. I am approaching it from this point of view, that if we are to have stabilization, then let us have stabilization. If we are going to say to the farmer, "The price of wheat in January is to be $1.55, and in May it is to be $1.55", then I say that if in January the manufacturer of agricultural implements states that the price of his binder is to be $281 or $320, or whatever it may be, it should be the same in May. We cannot expect one group in our society to accept a stabilized price for a period, and then have that ceiling broken for some other organization upon which the producer relies for his machinery.

So that I say the policy of the government in this respect is discouraging to the farmer, and it has placed an unfair burden upon the backs of the producers. The other day we had a discussion in this chamber about an increase in the price of agricultural implements. That was an increase to the extent of 12½ per cent, and without warning. That followed in the prairie provinces—and this affected my constituents particularly—an increase of two cents a gallon in the price of gasoline. This has been a serious blow, or, if I may use the plural: These have been very serious blows to the maintenance of our price ceilings; and I regret them exceedingly.

The leader of the opposition has discussed the matter of live stock prices. Well, it has seemed to me that the attempt to keep the ceiling on beef, and to accept no differential between, we will say, fall and spring prices, is unfair again to the agricultural producer. Grass-fed stock which goes on the market in the fall, is fed without either expensive grains or without the same amount of labour. Then, when the grain-fed stock goes on the market in the spring, after the long winter and the hard work involved in looking after that stock, we find the farmers expect a differential in

price levels. That, to some extent, accounts for the present situation of discontent in the live stock industry.

Mr. GARDINER: I do not wish to interrupt the hon. member but—

Mr. COLDWELL: I am glad the minister interrupts, if I am wrong.

Mr. GARDINER: Down to two years ago the situation was just as the hon. member is advocating.

Mr. COLDWELL: Right.

Mr. GARDINER: Then, upon representations being made, and after long discussions, in the interests of establishing stabilized prices throughout the year, for a two-year period that policy has been abolished. I would say that since the change there has not been, up until last week, ten per cent of the criticism in connection with beef prices or meat prices generally, that there was before. I would take that to mean that, with the exception of this last interference, there was pretty general satisfaction.

Mr. COLDWELL: I am glad to have that explanation from the minister. What he says is perfectly true. But I still think that to some extent the dissatisfaction arises from the fact that there is no differential between fall and spring prices.

The Minister of Agriculture mentioned a few minutes ago the attitude of the packers. I think something more than castigation from the Minister of Agriculture should be given to the packers. I do not think any packing industry or any packer in the country should be in a position where he can speak for the entire packing industry. It has always been maintained that there was competition among the packers. The price spreads report, which I have read carefully—and I have no doubt other hon. members have done the same—indicates clearly that the price spreads committee considered there was very little competition among the packers in the packing industry.

Here, again, we have the example at this time of one powerful packer speaking on behalf of the entire packing industry across the country. That looks as though what we have said so often in the house is perfectly true, and that is that the packing industry is a virtual monopoly controlled by one, or at the outside, two, of the great packing companies in this country.

I do not want to see a break in the price ceiling, because I know who would be the first to suffer. The first to suffer would be the pensioner, and other persons on fixed incomes. And hardly less hit—perhaps indeed harder hit eventually—will be the primary producers and the wage and salary earners. Those are the classes which in the final analysis will suffer the most from the breaking of the price ceilings.

As I said a few moments ago, the point of attack as far as the government are concerned is the manner in which they have permitted increases in the cost of farm production without making some adjustments to compensate the farmers. Lately I have been looking at the profits of the Massey-Harris company. The *Financial Post* indicates that the net profit of the Massey-Harris company for 1944 was $1,800,000. That is a considerable profit; indeed it is 80 per cent higher than the profit of the pre-war years which I admit immediately were low.

Mr. MITCHELL: Did they pay any profits?

Mr. COLDWELL: They paid some. The Cockshutt company more than doubled its profits between 1937 and 1944; the profits in 1937 were $183,044, whereas in 1944 the same company made a net profit of $399,244. If you look at the stock quotations you find that in 1939 the stock of the Massey-Harris company was quoted at from $3.25 to $3.50 a share, whereas to-day it is around $20.

There is another point I wish to draw to the attention of the house because I think it has a direct bearing on the topic we are discussing this evening. I should like to refer to some press reports which I consider are quite reliable. These appeared in the papers run by the Messrs. Sifton in western Canada, and I have here a clipping which appeared in the Saskatoon *Star-Phoenix* under the signature of Mr. J. H. Gray. I saw other references to the same matter. This report refers to the questionable procedure which was followed in granting an increase in the price of agricultural implements.

It is stated that on January 9, 1946, certain officers and employees of the Massey-Harris company were permitted to buy 115,250 shares of the company's stock at a price of $14-7/8 a share.

Mr. SMITH (Calgary West): That was in the Winnipeg *Free Press*.

Mr. COLDWELL: It was in the Winnipeg *Free Press* as well. The option to purchase these shares was to run for three years, the beneficiaries being permitted to take up one-third of the stock each year. I have looked up the papers over the week-end and I find that Massey-Harris stock is now selling at

around $20 a share. In January, these shares were offered for sale to certain employees at $14-7/8 a share, so that in the past few months, and one would almost think in anticipation of a price rise although I am not suggesting that that is so, there has been that increase in value.

There are hon. gentlemen who are in this house to-day who were on the agricultural implement inquiry committee of 1937. They will remember that that committee reported that prices of farm implements had been too high for the past thirty or forty years. Among other things, that committee reported that in 1937, according to the figures given by the implement companies themselves, there was an unsatisfied backlog of orders to the value of $200,000,000 at the then price levels. The report stated that in the following years the farmers, in order to meet their machinery needs, would require to spend over $50,000,000 a year on agricultural implements.

That report was tabled in the house in 1937. Then war broke out and very few farmers were able to buy implements. There was a period of six years when implements—I was going to say were non-existent— were in exceedingly short supply. Consequently the present backlog of farm implement needs is greater than it ever was in the history of this country. There is good business ahead for the farm implement companies. They have new and improved machinery, some of which was used for the manufacture of munitions but which can now be used to make farm implements. In some cases this machinery was installed by the government and has been no doubt obtained by the companies from the government at a great discount. They have more skilled technical workers; they have a greater demand; they have better machinery, and yet this is the time when we see a 12½ per cent increase in the price of farm implements.

This rise in the value of the stocks from January to May may not have been due to any prior knowledge of a possible increase in the price of implements. I am not saying it was, but I am saying that they could have estimated that they would make more money and therefore that their stocks would be worth more. According to the information I have, they handed out 115,250 shares of stock at virtually $5 a share below what it was worth three months later. The Cockshutt company did much the same thing. They allowed two of their executives to buy 2,000 shares each during the next three years. In this case the option price was $9 a share and this stock also has sold up to approximately $20 a share.

[Mr. Coldwell.]

Let us see what this means. Let us suppose that these individuals in the employ of the Massey-Harris company took up their one-third option in January. They could have taken up 38,000 shares. With the present price rise they would have made $190,000 if they had marketed their shares at the present figure.

Mr. SMITH (Calgary West): Which company is that?

Mr. COLDWELL: That is the Massey-Harris company. In the case of the Cockshutt company the profit would have been $22,000 on the same basis. That is the kind of thing that makes price stabilization impossible. That is the kind of thing that this house ought to take cognizance of. If I had been moving the resolution I would have moved it in entirely different terms. I would have moved it so that we would have criticized the government for having failed to grant comparable increases when prices of farm machinery and of other commodities that the farmer had to use were permitted to rise.

May I say to the ministers and to the government that when it is found necessary to do something with regard to the removal of price ceilings on a particular commodity or on a group of commodities, there should be no hole-in-the-wall negotiations. All the people concerned in the price rise should be called in. For example, in the case of farm implements the government should be represented; the farmer should be represented; the industrial worker should be represented, and the manufacturer should be represented. Perhaps we could then understand better why certain things are done, or perhaps in the light of day which would be shed upon the matter the proposal would not be accepted and things like this would not happen. If we are to have price stabilization, let us have it.

If I might just consider another point. The other day the minister referred to increases in prices of farm commodities during the past few years and set those up against the increase in the cost of farm machinery. Let me point out again that in 1937 the parliamentary committee tabled in this house a considered report containing voluminous information. It was an excellent report in many respects. That report stated that at that time prices of farm implements were too high and that they had always been too high. We urged that something be done to cause the manufacturers to decrease these prices; in fact we recommended, among other things, that if they did not do so the government of this country should encourage the formation of farmers' coopera-

tives for the manufacture and distribution of farm implements. We recommended that in the report.

I believe there are two or three ways in which this problem could be eased to some extent for the producers of this country. A publicly owned farm implement industry would be one way. We have the factories, the machines, and the labour. I know the government will not accept that. Then let me suggest that a thing which might be done is for the government to encourage the devolpment of a real cooperative farm implement industry in this country to give these private corporations some competition. If the government believes in the competitive system that is one way of giving these great organizations some competition. I want to point out that we cannot expect the farmers to accept price stabilization of the commodity they sell if they find that the commodities they buy are not to be stabilized and kept stabilized. There is the bald fact.

This amendment to-night is largely justified. I do not think it tackles the thing from the right end. I do not think it is the price ceiling policies with respect to farm products which are discouraging production, but, on the contrary, it is the permission to puncture price ceilings on the goods that the farmers buy that is the difficulty; and that is the angle from which I would tackle the matter.

Let me say again: in 1937 we reported that farm implement prices were high, that they should come down. The minister's argument the other day that farm prices had risen by so much per cent did not take into account the fact that no one in this house could say that agricultural prices in any year from 1931 to 1941 were high enough, that they covered the cost of production. They did not. As I have told the house before, I have bought eggs at three cents a dozen in western Canada. True, that was not in 1939; that was in the spring of 1934. But in 1939 you could buy them at fifteen and twenty cents a dozen. Wheat was around sixty cents a bushel, and other farm prices were on a somewhat similar level. Let us not compare 1939 farm prices with prices now and say, because there has been an increase in farm prices, therefore the increase in the price of farm implements is justified.

I do not want to say more about this at the moment, other than that if we are to have price ceilings let us have them for everybody, not pick somebody out and provide him with a hole in the ceiling. May I add that I believe we must have price ceilings. But we should receive proper representation from the people who are concerned. Who are the people concerned? Of course the government is concerned, representing, as it should do, this parliament and the people of this country through this parliament; the producer is concerned; the worker is concerned, and I would say that under our present economic system the industrialist, the manufacturer, the owner of the plant is concerned. We should see to it that when we are going to set a stabilized price all the factors involved are studied and all those who have a stake in the price level are consulted.

Mr. C. E. JOHNSTON (Bow River): I wish to say a few words on this subject before the motion is passed. The Minister of Agriculture (Mr. Gardiner) in addressing the house this evening, went to great lengths to prove that the government's policy was a very satisfactory one as far as the farmers are concerned. He did qualify his statement, though, when he said he thought most of the farmers were satisfied, but I do not believe the minister was as far west as I was during the Easter vacation, although he was in his own province. If he had been in Alberta when the announcement came over the air of the increase in the price of farm machinery he would have found that the farmers were not at all satisfied; and I think the hon. member for Rosetown-Biggar (Mr. Coldwell) hit the nail pretty well on the head, and that the Minister of Agriculture was really dodging the issue.

Mr. GARDINER: Mr. Speaker, I did not really say what my hon. friend quoted me as saying. I said that more farmers were satisfied until quite recently than had been satisfied over a long period of time.

Mr. JOHNSTON: The Minister of Agriculture is very safe on that ground.

Mr. SMITH (Calgary West): Sore but satisfied.

Mr. JOHNSTON: Of course, if you are starving a man to death and then you give him a piece of bread you can say that he is more satisfied than he was before. When you gave the farmers less than the cost of production for the grains they were raising and the produce they were producing away back in the thirties, and then you increased the return to, we will say, the cost of production, of course they would be more satisfied; and if you raised prices a cent or two cents above the cost of production of course they would be more satisfied. But the thing they are dissatisfied about, and the fight which they have been trying to make down through the years is that they want some consideration accorded to them —as well as to industrialists—for the work which they put into raising these farm prod-

ucts. They are not compensated and never have been for the work which they put into the producing of their articles. It is not unknown to the members of this house that industry has never produced at a loss, or at least, on only a very few occasions. If they did, they were in such a position that they would immediately go into bankruptcy. They would come out all right; they would not lose their shirts, anyway. That was the method they used. But the farmer was in an entirely different position, because when he got to the point where he was producing at less than cost of production and would like to have gone into bankruptcy, he could not afford to, and he was not allowed to. No; he had to stay there. Had he been able to go into bankruptcy he would probably have left the country, but that was not possible. So that when the minister says that agriculture is more satisfied than it has been for a long time, that is a hollow sounding phrase and has not a great deal of meaning, and I do not think it is going to satisfy the farmers a great deal.

Speaking of that subject, I was quite interested in reading the analysis which the Minister of Finance (Mr. Ilsley) gave in this house on April 15, in regard to agriculture and agricultural implements. He said, as reported in *Hansard* at page 893:

But since 1941—and these are figures given by the bureau of statistics—average prices of farm products, including subsidies, in 1945 as compared with average prices for 1941 showed the following increases.

Let me point out that these increases include subsidies; and the minister at this point at least, where it should have been indicated, failed to indicate the real price for agricultural products. It was at that time that prices were below the cost of production, so that it is not fair, in fact it is most unfair to try to show, by giving a percentage of increases, that the farmer was so much better off than the machine companies.

Mr. ILSLEY: Will the hon. member permit me to point out that at that point I said:

I am not saying for one minute that price increases over the level of the fall of 1941 were not desirable, because the price level before the war was low, and while it rose somewhat between 1939 and the fall of 1941 it did not rise as high as it should have.

That is how I started my enumeration of the prices.

Mr. JOHNSTON: I am glad the minister has called attention to that. I am sure he must have realized that too. But he must have realized also that, despite the fact that he might have stated in that speech that he did not think prices of agricultural commodities were as high as they should be, they were at depression levels then. But this government was in power, and why did it not do something about that situation? That is the complaint of the farmer. It is no use saying now, "I know that the farmer in 1940 and in 1939 did not have as high a price as he should have had," because it was the responsibility of the government then in power, that is to say the Liberals, to devise a policy which would have given a decent cost of production. But let me continue with the quotation:

. . . average prices of farm products, including subsidies, in 1945 as compared with average prices for 1941, showed the following increases: wheat, 67 per cent,—

Anyone seeing that would say, "What are these farmers talking about? My goodness! Think of getting a 67 per cent increase." Well, when you multiply 67 by nothing you still have nothing.

—or, if an estimated participation of fifteen cents be included. 87 per cent; oats, 65 per cent; barley, 62 per cent; hogs, 51 per cent.

My goodness! These farmers were wealthy in 1941!

The recent adjustments in hog prices would increase this to 70 per cent. Cattle, 40 per cent; fluid milk, 28 per cent; butter, 29 per cent; with the recent price increase, 40 per cent; cheese, 53 per cent; eggs, 28 per cent—

He did not mention that they were selling at ten or twelve cents a dozen.

—potatoes, 135 per cent; all farm prices, 48 per cent, and farm machinery—

That poor little outfit had only three per cent.

That is not a fair comparison because, as I pointed out, the farm machinery companies never did sell at a loss, so that when they got three per cent of an increase it added materially to the enhancement of their financial position; whereas when the farmer got a 67 per cent increase that may not even have brought it up to cost of production and certainly did not bring it to that level. So that the comparison is entirely without any foundation.

These are the things the farmers complain about and they have a right to complain. Even now, although the Minister of Agriculture talks about a stabilized price, what is the government doing under its policy to-day? It is continually increasing the cost of production for the farmer. Take the gasoline tax. That is up to such an extent that the farmers are losing in that regard, and not only was the government still not satisfied with allowing that increased cost to remain, but it has seen fit now to increase that cost again by allowing a 12½ per cent increase in farm machinery.

The government says, "Well, now, we did a pretty good job there because, mind you, the machine companies wanted a 25 per cent increase and we gave them only 12½ per cent." Of course, the machine companies never expected 25 per cent; that was a bargaining figure and they cut it to half knowing they were getting an extremely fine proposition at that.

The Minister of Agriculture spoke a moment ago about shooting at a stabilized price. I do not think there are many members here who are not desirous of having a stabilized price, but the government themselves are the ones who have been shooting at this price until now it is riddled, so that they had better put up another target. It is only reasonable to suppose—the government cannot expect anything else—that the farmer must continually shoot at that target, stabilized price. He is forced to do so. The farmer knows from past experience that the government will take no action whatever until it is forced to do so. There is clear evidence of that because in 1943 the farm organizations headed by the Saskatchewan wheat pool and supported by the Alberta and Manitoba wheat pools came to Ottawa and demanded increased prices for agriculture, and they were not received too well at that time. But they put forth strenuous efforts and pressure was put on, because they almost threatened a strike. Consequently they got action and obtained an increase in price from 70 cents to $1 a bushel. We shall not argue over ten cents one way or the other; maybe it was ninety cents.

But when the minister speaks of shooting at a stabilized price, he must take his share of responsibility; and even now the Minister of Agriculture as a member of the cabinet must assume his share of the responsibility, together with the Minister of Finance, for allowing this increased price in agricultural implements of 12½ per cent and the increase of two cents a gallon on gasoline, all of which adds to the cost of production of agricultural commodities. Therefore, if the farmer is shooting continually at a stabilized price, the Minister of Agriculture must, as I say, bear his share of the responsibility as well because he is putting them in an untenable position.

Mr. GARDINER: I did not say the farmer was shooting at it.

Mr. JOHNSTON: That is what the minister meant. If he did not say that I will say it for him.

Mr. GARDINER: I said the leader of the opposition was doing that.

Mr. JOHNSTON: You may have something there, because I have always listened with a good deal of amusement when I hear criticisms of the government from people who have no alternative to suggest, and I have never yet heard the leader of the opposition tell the government just where they will get the wherewithal to do the things they are asked to do. Maybe our method is wrong, but—

Mr. SMITH (Calgary West): Take the ceiling off farm prices. Didn't you hear it?

Mr. JOHNSTON: Yes, and I can well remember visiting the dominion-provincial conference and listening to the Conservative financial critic who was suggesting that we cut down expenditures while at the same time he suggested increasing wages, and he did not know what to do with unemployment.

Mr. SMITH (Calgary West): On a point of order, Mr. Speaker, I do not think, while the conference is still carrying on—

Some hon. MEMBERS: Oh, oh.

Mr. JOHNSTON: Where have you been all the time? The conference has been over for quite a while.

Mr. SMITH (Calgary West): I know where I have been, but I do not know where you have been.

Mr. JOHNSTON: I do know where you have been, but I know where you are going.

Mr. SMITH (Calgary West): The hon. gentleman interrupts me with the remark that he knows where I have been; he is just going there. While the dominion-provincial conference carries on it should not be discussed in this House of Commons.

Mr. JOHNSTON: Just because I happened to tread on the hon. member's toes he—

Mr. SMITH (Calgary West): The hon. member's boot is not big enough to tramp on one toe of mine. I raised a point of order.

Mr. JOHNSTON: The hon. member seems to be a little touchy to-night. In all seriousness, Mr. Speaker, when hon. members are offering criticism to the government they should have some constructive alternative to suggest.

An hon. MEMBER: Give us yours.

Mr. JOHNSTON: When we get to that other place I shall explain it. The Minister of Agriculture mentioned the possibility of our having a large acreage this year. It was the general impression that we would have a

greater acreage this year than we have ever had before. I hold in my hand the farm budget issued by the wheat pool in January, and it gives the wheat acreage trend in each of the four principal exporting countries since 1935, namely, Canada, the United States, the Argentine and Australia. In 1939 Canada had 26,757,000 acres; the United States, 63,516,000 acres; the Argentine 17,830,000, acres, and Australia, 13,284,000. It will be noticed that in 1940 Canada's wheat acreage went up. In that year Canada had 28,626,000 acres; the United States 61,464,000 acres; the Argentine 17,510,000 acres, and Australia 2,645,-000 acres. In 1941 there was a considerable drop in Canada's wheat acreage. We had 21,882,-000 acres; the United States, 62,404,000 acres; the Argentine, 18,040,000 acres; Australia, 12,063,000 acres. In 1942 we had another drop. Our wheat acreage was 21,586,000 acres; the United States 52,533,000 acres; the Argentine, 16,979,000 acres, and Australia, 9,280,000 acres. In 1943 we dropped to 17,488,000 acres; the United States had 54,159,000 acres; the Argentine, 16,914,000 acres, and Australia 8,300,000 acres. In 1944 we just held our own with 17,488,000 acres; the United States had 68,000,000 acres. There is no figure for the Argentine or Australia in that year. Therefore that total indicates that the acreage is not likely to go up a great deal.

Mr. GARDINER: I was speaking only of Canada's acreage; I made no reference to world acreage.

Mr. JOHNSTON: Of course the figures I have quoted give the trend of wheat acreage in each of these countries named, which included Canada.

Mr. GARDINER: Last year the wheat acreage in Canada was 23,000,000 acres. The last figures the hon. member gave were 17,000,000 acres.

Mr. JOHNSTON: That was in 1944.

Mr. GARDINER: I was speaking of 1945.

Mr. JOHNSTON: It would be interesting to place on record the 1943 price in Canada and compare it with the United States price. The United States average price for wheat was $1.37; the Alberta average was 97 cents. The United States price of oats was 75 cents; the average price in Alberta was 44 cents. The barley price in the United States was $1.03; the average price in Alberta was 57 cents. The price of rye in the United States was $1.02; the average price in Alberta was 76 cents. The price of flax in the United States was $2.84; the average price in Alberta was $2.16. These figures show the difference in fluctuations between the prices that are received in Canada and in the United States. There is another cause for dissatisfaction. When the farmer looks about him and sees that the grain which he has to sell, which is probably a little better than the grain sold in the United States, brings in a great deal less than the same type of grain sold in the United States he becomes dissatisfied. On the other hand, when he looks across the border and sees that the machines which he has to buy to produce these grains to feed the people of Canada are selling for much less over there than the same machine, and often made by the same company, is selling for here in Canada, he becomes dissatisfied. These are the things that are causing the farmers to ask continually for stabilized prices to which the Minister of Agriculture referred a moment ago. I believe the time has come when there must be some form of stabilization throughout the whole price structure, for industry as well as for agriculture, on a basis which will be sound for everyone concerned and which would include the cost of production, plus a fair commission to everyone. Until we get a planned policy such as that there is no doubt that we shall have strikes. The Minister of Labour (Mr. Mitchell) is going to have lots of strikes before long if he continues the policy which is in force at the present time. When he rises to speak he will tell me that we have had less strikes here than anywhere else.

Mr. MITCHELL: It is not baloney, either.

Mr. JOHNSTON: It is only too evident that when all these other increases are allowed which materially raise prices of agricultural products, we are bound to have farmers insisting on an increased price for their goods, because they have to have it to make ends meet. The government should take the lead in bringing down a price structure which will give some semblance of stabilization and equalization. When that is done I think our difficulties will be closer to a solution.

Hon. HUMPHREY MITCHELL (Minister of Labour): As I listened to the debate on raising wages and lowering prices I thought we had come into an era of what might be called phony realism. It cannot be done. Grown-up men know it cannot be done. There must be some relationship between prices and wages, whether it be wages of the farmers, wages of the industrial workers or wages in the commercial field of the nation.

Mr. JOHNSTON: That is what I pointed out.

Mr. MITCHELL: Let me say this to my hon. friend and to the leader of the opposi-

tion (Mr. Bracken), that in relation to its price control this nation is the envy of the world.

Mr. JOHNSTON: I knew the minister was going to say that.

Some hon. MEMBERS: Oh, oh.

Mr. MITCHELL: My hon. friends laugh. Some of my officials have just returned from a conference in Mexico, at which expressions of that kind were made by all the delegates. Those who have been in Europe in the last two or three years know what is happening there. Why try to kid the people of this country? Ask the men who fought in France and Holland and Germany about uncontrolled prices and inflation. Only to-day I was reading about Hungary where the pengo is quoted at twenty-two million to the dollar. Don't say, "It can't happen here." My hon. friend who has just spoken talks of lots of strikes. Some people like strikes. I do not. I prefer a more reasonable way.

Mr. JOHNSTON: You are asking for them, though.

Mr. MITCHELL: I am not; my hon. friend is asking for them. The communists want inflation; of course they do. Then you get the people on the extreme right, who want the price structure lifted. A famous man once said, "Debase the currency and the revolution is here." Personally I think this government has done what I might call a noble job with this very difficult problem, with all the pressures that one feels sitting behind the desk, as I and the other members of the government do. I am sometimes twitted about the big interests. I do not think anyone can say I have been a friend of the big interests. I have always sat on the other side of the table, negotiating wage agreements; but you know you never take any chance in attacking the big interests. That is pie in the sky for the politician. There are not many of them. I have a vivid recollection of when I was a young member of this house, when the then leader of the government, who is known to most of us, was ill. I said to a friend of mine, "Do you think he is going to get well?" He replied, "Gosh, Humphrey, I hope he does. I have been shooting both barrels at him for the last four years, and if he dies I will have to switch to the banks." So that you get this exhibition of trying to please the greatest number, when in my judgment we should be giving them leadership. I agree with my hon. friend the Minister of Agriculture (Mr. Gardiner). Let us be fair about it; in a comparative sense this country is a paradise. Perhaps it is not as good as it should be, but you see the difference when you look around the world, or even when you go across the border. The other day I was in a medium-sized city there, and I was amazed. I never thought the food situation and the price situation could ever reach the stage they have reached in the United States.

Mr. SMITH (Calgary West): Who was it mentioned baloney?

Mr. MITCHELL: Well, you only have to go there and see. When you walk through the stores you appreciate that inflation is there on a large scale. I think that is generally admitted; they admit it themselves. After all is said and done, the real wealth of a nation is expressed in the unit of production. What we need to do more than anything else, in this and every other country in the world, is to increase the tempo of production. Take the wage situation in the agricultural implement industry. Taking 1939 as 100, to-day the index stands at 155·8, or an increase of 55·8 since 1939. Just now my hon. friend mentioned the increase in the price level of agricultural implements, and in the very nature of things these things must go together. A great deal has been said about the tremendous power of the machine. It is estimated—and it is only an estimation—that the increase in the rate of production is about two per cent a year. You and I know that if these things get out of balance we are headed for trouble, and we are bound to have increased prices.

Mr. SMITH (Calgary West): Do you mean 2·2 per cent a year?

Mr. MITCHELL: No, just two per cent.

Mr. SMITH (Calgary West): That is the increase in production, based upon what?

Mr. MITCHELL: On the over-all picture technical production over a period of years.

Mr. SMITH (Calgary West): It is estimated that machinery has increased production by two per cent?

Mr. MITCHELL: Over a long period. As a matter of fact, it is a little lower than that. I just point out these things because, charged as I am with a very difficult problem, as are the Minister of Finance (Mr. Ilsley) and the Minister of Agriculture and others, I hope we shall be able to maintain a reasonable price structure. I do not need to tell my farmer friends that I do not know much about agriculture, but I have lived through a couple of depressions and two wars. It is just like throwing a ball into the air; what goes up must come down. We all have a clear recol-

lection of the price of wheat at the end of the last war, when it went up to something over $3 a bushel. We all remember that the price of land in western Canada increased tremendously. We all know what happened in regard to the production of wheat in France and Italy. Speaking from memory, the year before war broke out I believe Italy produced more wheat than Canada did, and that was largely brought about by the tremendous increase in the price level. In France they imposed a high tariff; in Italy they cleared marshland and grew wheat. I was in Paris is 1933, I believe, when the duty on a single bushel of wheat was about $1.25. That is an indication that unless we keep our feet on the ground and meet this very difficult period in a rational way, history is bound to repeat itself as surely as the sun will rise tomorrow morning.

The hon. member for Rosetown-Biggar (Mr. Coldwell) mentioned the people with fixed incomes. The other day I had an estimation made of the number of people drawing pensions from the state, from railway companies and so on, not including those in receipt of family allowances, and the number was about four hundred thousand, with another two million receiving family allowances. We all know that with every point increase in the price index the purchasing power of the income of what I call this great mass of defenceless people is reduced; and I think it is our duty, as it will always be mine while I am a member of this government, to see to it that this great body of people get the protection they are so richly entitled to and deserve.

I just wanted to say these few simple things, Mr. Speaker, in order that the people of this country might not be fooled by the arguments so often advanced by both sides into believing that there is no relationship between the price structure and the cost of production. We all know there is a relationship and it must be worked out in a rational way. As far as human agencies go, I think it is a fair thing to say that the machinery developed in this country is as good as that in any other country. Following what was said about agricultural conditions, let me say that the wage index is the highest in the history of this country. That did not fall as a gentle rain from heaven. It was brought about by the organization of labour, of course, but also by the policies set in motion by this government.

In conclusion, I hope the people of this country will show the good sense that they have exhibited in the last four or five years, and see to it that we protect the living standards of the great mass of Canadian people which are predicated upon the maintenance of a price and wage stabilization policy.

[Mr. Mitchell.]

Mr. J. A. ROSS (Souris): Mr. Speaker, in rising to support the amendment may I point out, first of all, that matters connected with agricultural production are divided between the Department of Agriculture and the Department of Trade and Commerce. The former has been responsible for production, and the latter for marketing; and in recent years, especially since 1941, under the Minister of Finance (Mr. Ilsley) and Donald Gordon certain controls have been responsible for the hampering of agricultural production. When I mention these controls, I have said nothing about discriminatory income tax deductions which began to operate in 1942, and are still in existence.

I am sure all hon. members believe in a policy of stabilization. However, we believe it should be on a basis of parity, and I am convinced that many hon. members who rise in their places and support the government every time there is a vote, do not believe we have anything approaching parity under our present price control system.

For instance, speaking in this house on March 20 the hon. member for Prescott (Mr. Bertrand) said:

> The cost of living and the cost of farm production is still 22·6 per cent higher than the farmer receives for his products in this country.

The hon. member is a government supporter, but on that date he put those figures on *Hansard*.

Then, reference has been made to the increase in the price of gasoline. In the prairie provinces, drawing a line just west of Winnipeg, and including the three provinces, the order permitting the increase of two cents a gallon in the price of gasoline prevailed. When I first heard of this increase I wrote the Minister of Finance as follows, on February 28:

> Right Hon. J. L. Ilsley,
> Minister of Finance,
> Ottawa.
>
> Dear Sir:
>
> I wish on behalf of the primary producers of the greater part of the prairie provinces to protest against the proposed increase of two cents per gallon on gasoline to take effect about the middle of March. This would seem very discriminatory and arbitrary. I suggest that proper investigation be made and reasonable explanation given to the public before the increase is allowed.

The minister was out of the country at that time, and as a result I received an acknowledgement of my letter from his secretary. The reply left the impression in my mind that the order was discriminatory. Reference was made in the letter to the oil fields of Montana, which were close to the prairie provinces. The letter went on to point out

that the subsidies would be continued from the southern states of Oklahoma and Texas, and that if these were eliminated and other regulations went into effect the price would probably increase by six cents a gallon. That was the reply I received, and certainly it indicates discrimination, and additional cost of production for the farmers of the prairie provinces.

On the matter of income tax deductions, at every session of parliament that I have attended I have tried to get some degree of fairness between the treatment accorded the farmer and his wife, and the man and wife who work in the city or in industry. I believe it was on November 30 of last year, if I remember correctly, that I asked the Minister of Finance if he had found a way of overcoming this discrimination. He explained that in 1942 the government had found it necessary to allow an extra $600 to the wife in industry connected with the war effort, which resulted in an amount of $1,800 for the married couple in industry or in the city as compared with $1,200 for the married couple on the farm. He knew it was wrong, and said that he was giving thought to it, but did not know whether he would be able to bring about a change in 1946.

Let me now deal with the increase of 12½ per cent in the price of farm implements. I was not in the house in the debate respecting farm implements which took place on April 15, but I believe that upon that occasion a large part of the financial statement of the Massey-Harris company was placed upon *Hansard*. I worked for that company, selling machinery and making collections, in 1929 and 1930, and I know something about the percentage of their costs which go to sales, publicity and collections. None of those items of cost exist to-day, nor did they exist during the war. The company does not have to go out to sell machinery or to make collections, although in other years a large percentage of their cost was set aside and earmarked for that purpose. However, as I say, that does not apply to-day, nor did it apply during the years of war.

Let me give one concrete example of a further aggravation in connection with the implement business, with which the government is becoming entangled. Last fall, during harvest time, a man in my community found he was short of farm equipment. He had always used a certain type of equipment manufactured in the United States. This man wanted a ten-foot power binder, but it was not procurable at that time at any price. He did discover an extra binder in the city of Winnipeg. This was a Canadian type binder, manufactured in Canada. He could have procured the United States power binder delivered at Melita for about $395, had it been available, but had to pay $450 for the Canadian type of power binder. It will be understood that I am giving just round figures. However, the result was that he paid $55 more for the Canadian type of binder which he did not want, had he had a choice between the two types. Then, if we add 12½ per cent to the price of the Canadian binder, we find it would now cost that man approximately $506, making a difference of $111 between the United States and Canadian prices.

Mr. HOWE: Why does he not buy the United States binder? There is no duty.

Mr. ROSS (Souris): It was not available then. He had always used the United States binder, but at that time it was not available. The harvest was on, and he had to take what he could get, with an additional $55 in price. Since then, with the increase of 12½ per cent, the difference would be approximately $111.

The minister pointed out that this condition was brought about partly by the exorbitant prices paid at auction sales to-day. That is true; and those machine companies are taking advantage of the situation. With the knowledge that equipment is not available, in short supply, they are getting this increase, knowing that people must have machinery at any price. Surely the increase was most unfair.

At several points in the report of the parliamentary committee which investigated farm implement prices in 1937, the chairman of the committee pointed out that farm machinery manufactured in Canada was altogether too highly priced for the farmers of this country. If that was true then, when they had to pay for publicity, sales, collections and the like, which do not have to be paid to-day, certainly the present price is unwarranted and is a further aggravation of the situation faced by the producer.

I should like now to refer to an editorial which appeared in the Winnipeg *Free Press* on April 16, the day following the discussion on farm implement prices in the house. It says:

> Higher Prices for Farm Implements
>
> If the Canadian government had gone out deliberately to create a storm of controversy in western Canada it could hardly have chosen a different instrument than the raising of farm implement prices.

The editorial is of considerable length, and the points are well discussed by whoever writes the editorials for that paper. I say that most certainly the increase, when it is added to the costs of agricultural production, will appear wholly unjustified. I do not know what it will lead to in the future.

True, one of the ministers has pointed out that the tariff was reduced in 1944. But will he explain to me, on behalf of the government, what will happen when implement production becomes plentiful, and we have a condition where in Canada a binder will sell for $506, while the same type from the United States would sell for $395?

Mr. ILSLEY: Why would not the purchaser buy the United States article, then?

Mr. ROSS (Souris): Certainly he will, when production becomes plentiful. But I am pointing out that the minister will have difficulty with the machinery companies then. To-day there is no choice. The farmers must buy where they can.

During the war the agricultural producers of Canada received less for their products than did the producers in any other of the united nations. As was pointed out this evening, prices of agricultural products in the United States are fifty per cent higher than in Canada on the average, while costs of the implements of production are less in the United States than they are in Canada.

I did not know whether I should burden the house at this time with this matter, but during the Easter recess I drove across to the United States and interviewed several implement dealers. I got quite a list of farm implement prices. When I compared those with prices charged by comparable dealers on our side of the line I found that they were slightly under our prices. This was before the 12½ per cent increase took place.

Some mention has been made of the price of wheat. According to an estimate made by the dominion bureau of statistics and based on the last grain crop, the prairie farmer would have received some $400,000,000 more if he had been allowed to sell at ordinary world prices such as prevailed on the Chicago grain market. The Canadian wheat crop was 305,000,000 bushels and the farmers were losing $170,000,000 on that crop. They were losing $135,000,000 on oats and $110,000,000 on barley. That is the difference between prices that prevail in the United States and what the farmer in Canada has received in one year.

According to a report tabled just a few days ago by Donald Gordon, it has cost this country some $322,000,000 to maintain price controls from December 1941 to date. When we consider the contribution of $400,000,000 which the farmer has made in one year because of reduced prices of grain I think we have proof that the agricultural producer of this country has made altogether too great a contribution in the way of subsidizing the consumers of foodstuffs in Canada. As I say, this whole system has cost the taxpayers of this country many millions of dollars less to maintain since its inception on December 1, 1944 than the farmers have lost in one year.

The agricultural producer its entitled to the same consideration which has been given to to the lumber producer or the general manufacturer. They have been able to export their products at prevailing world market prices. Certainly there should be some basis of parity created in this stabilization system of ours. If that had been done, then many of the difficulties which faced the great dominion-provincial conference that took place in the other place last week would not have existed.

For instance, the budgets of the three prairie provinces amount to $102,000,000 annually. The budget of Manitoba is $22,000,000; Saskatchewan, $52,000,000, and Alberta, $28,000,000. The difference in prices received for grain by the western producer in one year is four times the entire annual budgets of the three prairie provinces. I believe there is some food for thought in those figures. If there had been some basis of parity the premiers of these prairie provinces would not have been so concerned about their future taxation problems.

The Minister of Agriculture said that he did not know how far back you would have to go to discover when the price of wheat was higher in Canada than it was in the United States. It is acknowledged that western Canada produces the finest cereals of any place in the world. I do not know how far back you could go, but I hold in my hand a copy of the chairman's report of the Canadian wheat board which was presented in 1919 by the then chairman, Mr. James Stewart, to the Right Hon. Sir George E. Foster, G.C.M.G., who was then Minister of Trade and Commerce. On page 5 of the report it is stated that the instructions given to the board at that time were as follows:

> The instructions given to the Canadian wheat board were very simply stated. The board was instructed to sell the Canadian wheat crop of 1919 at a price which would bring the greatest possible benefit to the dominion as a whole.

That is the same period after the last war as we are now in after the war that has just ended. I think that is a very fair set of instructions. On the next page is given the personnel of the board that was set up. Practically all the principal vocations in Canada were represented on that wheat board, including official organized labour. That representative was satisfied at that time with the operations of this board. On another page it is pointed out that the average price throughout

those war years was twenty-five cents a bushel higher in Canada than in the United States. This is a government report. The report refers to one transaction in which wheat was exported from this country at $4.02 a bushel.

The price of wheat was set at $2.15 a bushel with participation certificates which, according to the report, gave another forty-eight cents a bushel to the producer, or a total of $2.63 a bushel. That was a higher price than ever prevailed in the United States at that time.

There is a comparison made of the prices of staple foodstuffs in these two great countries. As was pointed out this evening by my leader, the existing price of wheat to-day, including the thirty cent bonus, was practically $1 a bushel less in Canada than obtained at the point across the boundary in the United States. That is altogether too great a difference.

Mention has been made of beef prices. I have here the Winnipeg *Free Press* of April 27, which contains the headline, "Miles of St. Boniface pens empty." In one day the marketings amounted to only twenty-five cattle, and these are the greatest yards in the British empire where normally from 1,800 to 2,000 head of cattle are received each day at this time of year, and contain facilities for handling many thousands a day.

Within a few days of the announcement of the increase in implement prices it was stated that they would not buy beef without decreasing the price approximately one cent a pound. Those who were caught with a supply of cattle on the market at that time took a loss of from $10 to $15 a head, but they had to do it. According to another bureau of statistics report, cattle prices on the Chicago market were almost one cent a pound higher at that time than they were one year ago. These two facts are strangely inconsistent. I have pointed out that implement prices did not rise throughout the war in the United States, according to the information I received from the implement dealers. In addition, beef prices were up almost one cent a pound over the previous year. In this country our farmers were faced with a decrease of one cent a pound in beef prices. This situation has greatly aggravated the position of the producer in this country.

I have dealt mainly with this matter from the western point of view, but something can be said for the eastern farmer. These men really have greater production difficulties in some respects than we in western Canada have. I have an account here which states that because of the shortage of farm labour and other difficulties in farm production 100,000 acres in Simcoe county are lying idle. I am sure that other hon. members who are more conversant with conditions in the east will deal more ably with this problem. From what I have witnessed I believe they have many complex problems that even we in western Canada do not have, and everybody knows we have altogether too many. I am convinced that as a result many people are letting up on their production. Remember that the average age of farm operators in the prairie provinces to-day is over fifty-five years. They, their wives and those of their families that happened to be at home have worked long hours and done a magnificent job in producing for the war effort. They rightly think that, with the war over, they are entitled to lie back a bit and have some rest, and they would like to turn over a portion of their farms to the younger people. Strange as it may seem, some 7 per cent of the young people from the prairie provinces who enlisted in the services from farms have signified their intention to return to the farms; the others, the great majority, wish to try some other vocation, and with the difficulties which are arising to-day one connot altogether blame them.

I have never missed an opportunity at any session since coming here in 1940 to ask for a basis of parity for agricultural producers in this country, based on their costs of production and living costs in this nation. At the last session, on September 25, I moved a resolution asking that the government should establish floor prices for all basic agricultural products at not less than 90 per cent of parity, and every supporter of the government rose in his place and voted against that resolution.

As I have pointed out, since then the United States have not altered the price of farm implements; they have added thirty cents a bushel bonus on wheat in recent days, while in the same recent days the Canadian government have increased the cost of farm implements, raised the cost of gasoline in most parts two cents a gallon, and, one would think, they are deliberately going out to make the lot of the agricultural producer in this country more difficult. I do not see how any hon. member who gives proper thought to this matter can oppose this amendment.

Mr. J. W. BURTON (Humboldt): I was greatly pleased at hearing the Minister of Agriculturre (Mr. Gardiner), when he was speaking earlier this evening, make the statement that his experiences had proven over the past years that what we needed was stability. I am pleased because eventually he is learning something. He is agreeing with the policy which we of this group through

the past number of years have been advocating. I hope that his experiences will also lead him to admit the fallacy of the fire-sale policy which he had here some years ago.

As the representative of a rural constituency in a province that is more dependent upon the net return of agriculture than is any other province in Canada, I shall, of course, speak on behalf of the people whom I have the honour to represent. But let me assure you, Mr. Speaker, and all hon. members that I shall also endeavour to keep in mind the entire picture of our national economy, the welfare of our country as a whole.

In my opinion the government have no one to blame but themselves for the position they find themselves in, because they refuse to go to the root of the trouble. Like the Bourbons of old, they forget nothing and learn nothing. They refuse to forget the heyday of their power. Sadder still, they refuse to recognize the fact that the day of so-called free competitive enterprise has long been over. They remind me of an old lady sitting in the glow of the fireplace spinning dreams of the long, long ago and yet refusing to let the younger generation put the house in order.

For a year or more we from this side of the house have been urging the government to prepare plans for the post-war years, but all they have been able to accomplish is to get themselves into one impossible position after another. In fact, they remind me of the chap who got hold of the tail of one of those white-and-black striped pussies: they are afraid to let go and equally afraid to hold on. But this much they can be sure of, that, let go or hold on, the odour will be the same. Sooner or later they must let go. But before they do so, why not put an end to that robber of our national chicken-house, monopoly capitalism? Then, may I suggest to them that they bury that worn-out cloak of Liberalism. I see the hon. member for Temiscouata (Mr. Pouliot) who is always interested in dictionary definitions, so that he knows what I mean. I shall quote to him and for the benefit of the house the definition of "cloak" that I have found in Webster's dictionary:

> 1. A loose outer garment. 2. That which conceals; blinds; disguise; mask. To cover with or as with a cloak; hide; conceal.

I hope the hon. member will understand what I refer to when I suggest to him to cast off the cloak of Liberalism.

Mr. POULIOT: Yes, but it would be interesting to read the whole definition.

Mr. BURTON: That is the whole definition.

Why should a nation whose people showed such williness to cooperate during wartime, and by that cooperation achieved such wonderful success, now find it impossible to carry on with the same spirit of unity and cooperation in times of peace? My answer to that is, first, I am convinced that those unseen hands which control the economic life of this country are determined to force both farmer and labour back to the position in which we were in 1939; and, second—which in my opinion is even more serious—that in this day and age we have a government in office that not only condones the first, but also fails to recognize the fact that if one group in our national family is allowed to take more than its fair share of the national income, others must be getting less than their fair share.

What this nation needs is a plan of action whereby everyone will be given an opportunity to do his or her best in the winning of the peace and at the same time have the assurance that a fair share of the fruits of his or her labours will be received. To do this, the government must give leadership; they must do away with the old method of pressure-group action and replace it with intelligent planning where representatives of farmer, labour, industry, consumer, in fact every group of our national life can meet in round-table conference, where with the help of facts and figures from our departmental experts we shall be able to plan a proper price structure, so that as nearly as possible everyone will receive a fair share of the national income. But, Mr. Speaker, that will not be possible unless the government are willing to let go of the tail of that so-called free enterprise. Nor will it be possible if they do let go, if they still allow that animal to destroy the last goose that lays the golden eggs.

People are demanding intelligent cooperative action. The time for royal commissions of inquiry is past, and so is the time for inquiries by committees. I say that because I have in my possession some copies of the report made by the committee of the House of Commons which was appointed to inquire into farm implement prices. I have here the conclusions and recommendations by the committee as will be found on pages 1294, 1295 and 1296, dated April 5, 6 and 7 of 1937.

Owing to the fact that many of us are beginning to find it very difficult to get copies of this report, I am going to ask your permission, Mr. Speaker, and that of the house to place on the record, without the necessity of reading them, the thirty-six points made by the committee in their conclusions and recommendations. May I have that permission?

Mr. DEPUTY SPEAKER: Has the hon. member the unanimous consent of the house to place the document on the record?

Some hon. MEMBERS: Agreed.

Mr. BURTON: Thank you, Mr. Speaker. I appreciate that more perhaps than I can say, especially in view of the fact that many of the younger people are beginning to farm and need implements, and in years gone by they did not have an opportunity really to know what the committee recommended at that time. The conclusions and recommendations by the committee in question are:

Conclusions and Recommendations by the Committee

(1) That the prosperity of the farm implement industry is directly dependent on the prosperity of agriculture.

(2) That, during the recent depression, a backlog of requirements estimated at $200,000,000 has accumulated and will have to be satisfied by the implement companies during the next few years, together with normal annual requirements of agriculture, estimated at $51,700,000.

(3) That, as a result, the price level of farm implements during the next few years is of the greatest importance to agriculture.

(4) That the companies engaged in the industry, over the period of their operations as a whole, have made substantial profits on the capital invested in each company.

(5) That, if in particular instances this was was not so, it was due to reasons other than the price level at which farm implements have sold in Canada throughout the same period.

(6) That the economic condition of agriculture is not satisfactory although the present relatively high prices for farm produce will tend to improve it, provided these continue and coincide with reasonably good crops.

(7) That farmers have a right to expect the price level of farm implements to be based on the most efficient and economical manufacturing and distribution cost.

(8) That from 1931 to 1934 inclusive, when all the companies incurred financial losses, such were due primarily to the inability of the farmer to purchase farm implements coupled with his inability to pay for those he had already purchased, and not to the fact that prices of farm implements were lower than justified by manufacturing or distribution costs.

(9) That the unfavourable factors affecting the financial returns of the farm implement companies in the period 1930 to 1935 have been largely eliminated and therefore the companies can look forward to a period of relative prosperity in the industry.

(10) That, particularly, the abnormal bad debt losses resulting from the depression have been largely absorbed by the implement companies and that this item of cost should not reappear in the next few years.

(11) That freight rate increases have contributed to the increase in the price of farm implements.

(12) That the matter of freight rates is of vital importance to the provinces more distant from the manufacturing centres and this is emphasized by the fact that the three prairie provinces absorb at least two-thirds of all farm implements sold in Canada.

(13) That the matter of freight rates on farm implements should receive immediate attention with a view to restoring lower rates thereon.

(14) That the relative increase in the cost of labour has been one of the important elements in the increase of prices occurring between 1913 and 1936.

(15) That the interest of the farm implement industry and of labour engaged therein is best served by a full recognition of the fact that the prosperity of the industry and the increased and more permanent employment of labour depend on the relative and actual prosperity of the farmer and that all will benefit by lower retail prices, thus encouraging the manufacture and sale of farm implements.

(16) That it is the opinion of the committee that the cost of cream separators to the consumers should be reduced and with that end in view recommends that this item be placed on the free list.

(17) That reduction in the tariff should and does, in the long run, tend to lower the price level to the farmer, depending on the extent of free price competition in the industry.

(18) That in the farm implement industry there is competition in the matter of sales but little effective competition in the matter of prices.

(19) That the provisions of the Customs Act and the Customs Tariff Act affecting the importation of farm implements should be clarified and simplified.

(20) That regulations of the Department of National Revenue, under the above provisions, have resulted in the inequality of treatment of importers of a like class and that the whole matter should be the subject of survey by the minister of that department.

(21) That these regulations have resulted directly and indirectly in the retention in the United States of profits arising out of the operations in Canada of certain United States companies and that these profits have been subjected to income tax in the United States instead of in Canada.

(22) That indirectly this retention of profits in the United States affected the price level of farm implements in Canada as the true profits arising out of their Canadian operations were not properly appreciated by the United States companies.

(23) That recent reductions in tariff and other trade barriers resulted in the Canadian companies lowering their prices on certain farm implements imported from the United States, but the United States companies manufacturing a full general line in the United States and marketing these in Canada, did not lower their prices generally on importations other than those affected by the price reductions of the Canadian companies, indicating the lack of free price competition in the industry.

(24) That the companies should encourage the further standardization of replacement parts in the same implements manufactured by different companies and in addition standardization of the implements themselves.

(25) That in order to assist the farm implement companies to satisfy the requirements of agriculture in the matter of farm implements in the next few years, the committee is of the opinion that the duty on materials entering into the manufacture of farm implements should be removed or that the farm implement companies should be granted a drawback of any duties paid on materials entering into the manufacture of farm implements.

(26) That the last recommendation is made on the assumption that any saving to the companies resulting therefrom should be passed on to the purchaser of farm implements in the retail price.

(27) That the cost of credit to the farmer purchasing farm implements on time is excessive and the companies should take immediate steps to reduce these credit charges.

(28) That the profits to the farm implement companies on the sale of replacement parts is excessive and the price of these to the consumer should be materially reduced.

(29) That the increases announced by the companies in January, 1936, were not justified by an increase in manufacturing or distribution costs or by the financial results of the companies insofar as these were affected by the price level of farm implements.

(30) That over the period of 1891 to 1936 retail prices of farm implements have been maintained at too high a level as shown by the financial returns to the companies engaged in the industry, during that period.

(31) That recently material and labour costs have advanced, but that this advance should only receive the consideration that it deserves in relationship to all other factors entering into the determination of retail prices.

(32) That after due consideration of all the essential factors, the committee is of the opinion that any suggestion of a further increase is not justified at the present time.

(33) That the committee is of the opinion that the cost of distribution of farm implements is unnecessarily high and constitutes an important factor in the prices to the consumers.

(34) That the companies themselves should make every effort to reduce these costs or farmers should be encouraged to organize for the co-operative distribution and servicing of farm implements.

(35) That some agency of government should carefully analyse and correlate the evidence appearing in the records of this committee and in addition should obtain the results, when available, of the inquiry now proceeding in the United States, and in due course present a report in both matters to the Minister of Agriculture, a copy of such reports to be filed with the records of this committee.

(36) That the Bureau of Statistics be requested to collect, summarize and publish the prices paid by farmers for farm implements in each province from year to year.

Two years later the Saskatchewan legislature also appointed a committee to inquire into prices of farm machinery and the distribution thereof. I have in my hand the report issued by that committee and presented to the legislature, and again I have the findings and recommendations of that committee. Once more, with your permission, Mr. Speaker, and with the permission of the house I would appreciate having an opportunity to place this on the records of the house.

Mr. ILSLEY: I do not know just what position the house should take with regard to placing lengthy reports on *Hansard*. If it is carried too far it obviously can result in great abuse. It is contrary to the rules except by general consent. By the rules the hon. member would have to read it. I did not take exception to the first one, but how many are there?

Mr. BURTON: Very well, Mr. Speaker. I thought possibly I could save time by having it put on the record, but in view of the minister's objection I shall be pleased to read to the house the report of that committee, because these combined will show a good deal of the background of the trouble that we are in. Without further loss of time I may say that the Saskatchewan committee recommended in their findings:

1. That retail prices of farm implements, repair parts and cream separators are too high, and,

2. That the industry itself cannot, or will not, suggest a remedy.

The committee, therefore, recommends:

1. That the government of this province invite the cooperation of the dominion government and the governments of the provinces of Manitoba and Alberta in the carrying out of any plan to procure substantially lower implement prices.

2. That as the provisions of the Combines Investigation Act of the dominion appear to have been violated by the major companies in the industry, consideration should be given to instituting proceedings under the said act.

3. That dominion legislation be urged to remove all tariffs and other trade barriers on farm implements, repair parts and cream separators.

4. That the dominion government be urged to restore the Crows-Nest pass agreement freight rates on farm implements.

5. The adoption, and support by the farmers of this province, of the cooperative trading movement.

6. That adoption of the plan submitted to the committee by representatives of the cooperative associations on February 24, 1939 and the giving to the said associations by the government of this province, of the support and assistance suggested in that plan.

7. The careful and immediate examination and consideration by the government of this province of the further plan submitted by the said representatives on their further appearance on March 6, 1939.

8. In the event that such examination and consideration is favourable, the giving of the support and assistance suggested in such plan.

9. That the credit union plan among farmers be encouraged.

10. That the university of Saskatchewan be requested to test the relative quality and utility of repair parts being offered for sale in this province.

11. That the dominion experimental farms, the university of Saskatchewan, and the farm im-

plement companies be encouraged to continue their educational courses in the management, care, and operation of farm machinery.

12. That the dominion experimental farms and the university of Saskatchewan be encouraged to test the utility of new implements, to suggest improvements, and, where possible, to encourage standardization of implements and repair parts.

The reason why I wanted these two documents put on the record was that we could discuss the matter from that point of view. In the first place, while I shall not go over all the different points included in the recommendation of the two committees, I should like to take out those that have a bearing on the subject and discuss them briefly.

The first is No. 2, found in the recommendation of this house in 1937:

That, during the recent depression, a backlog of requirements estimated at $200 million has accumulated and will have to be satisfied by the implement companies during the next few years together with normal annual requirements of agriculture, estimated at $51,700,000.

It will be remembered that my leader the hon. member for Rosetown-Biggar (Mr. Coldwell) had something to say about this, and I wish to enlarge on it a little further. In that connection, I have here another document and I do not know whether the Minister of Finance will object to having it go on the record. If he does I shall have to read it, but I may say it is from a dominion government publication, the *Economic Annalist,* dated February 19, 1946, wherein is shown how serious is the need for new implements as indicated by the report of a survey made of the provinces of Nova Scotia, New Brunswick and Ontario, the results of which appear in that publication for the period from 1945 to 1949. I would appreciate having this put on the record along with the backlog we have had in years gone by.

Mr. DEPUTY SPEAKER: Has the hon. member the unanimous consent of the house?

Some hon. MEMBERS: Agreed.

Mr. BURTON: Thank you, Mr. Speaker. The statement is as follows:

Farm Machinery Needs Range up to 166 per Cent of Implements Now on Farms

Just how serious is the need for new implements is indicated by a dominion Department of Agriculture survey in Nova Scotia, New Brunswick and Ontario, results of which appear in the "Economic Annalist" for February, 1946. For the period 1945-1949, the total number of all kinds of machines wanted amounted to 25 per cent of the number now on the farms in Nova Scotia, 22 per cent in New Brunswick and 12 per cent in Ontario. But for certain types of machines or equipment the percentages were much higher. From a list of 40, the following 25 are selected:

Estimated percentage of machines wanted, 1945-1949, to number now on farms:

	Nova Scotia	New Brunswick	Ontario
Tractor	75·6	109·2	37·9
Tractor plough	38·0	26·1	20·2
Disc harrow	22·8	20·4	17·4
Spring tooth harrow	21·3	23·7	....
Field cultivator	28·7	24·0	15·4
Row crop cultivator	32·3	22·7	11·1
Grain drill plain	18·1	25·8	8·3
Grain drill fertilizer	25·6	31·8	20·8
Potato planter	62·3	39·8	13·7
Mower	26·3	29·6	15·2
Hayrake	44·2	29·9	9·4
Loader	35·5	59·6	27·0
Grain binder	23·1	38·5	14·4
Combine	....	....	59·0
Thresher	15·9	20·1	12·7
Silo filler	14·1	166·3	15·4
Potato digger	32·2	26·0	13·1
Potato grader	4·9	36·1	6·3
Manure spreader	47·0	56·1	27·2
Fertilizer spreader	38·2	50·3	30·6
Potato sprayer	45·6	38·6	5·4
Orchard sprayer	31·6	122·2	27·7
Truck	82·8	102·3	20·8
Car	52·2	14·2	8·3
Milking machine	58·4	65·7	14·2

Since that time the farmers have not had an opportunity to get the machinery to catch up with that backlog; consequently they were low before the war started and this shows that they are still lower.

My time is slipping by, but I have a number of other matters with which I wish to deal. I should now like to quote recommendations 17 and 18 of the federal committee, which read as follows:

That reduction in the tariff should and does, in the long run, tend to lower the price level to the farmer, depending on the extent of free price competition in the industry.

That in the farm implement industry there is competition in the matter of sales but little effective competition in the matter of prices.

In that connection, I have a paragraph from the minutes of the special committee on farm implement prices, which appears in the same book to which I referred a moment ago. At page 129 we find the following:

To sum up therefore the committee is of the opinion that the reduction on tariffs should find its full effect in a comparative reduction in price levels unless the element of true competition is lacking. If this element is lacking it nullifies to some extent the natural effect of such reduction. As already suggested in this report the companies deny that any concerted action occurred between the companies in the matter of the maintenance of or change in prices to the consumer.

Further on they have this to say:

The relationship of the United States companies with the Canadian industry is so close that in all likelihood the roots of any concerted

action to prevent the operation of true competition would be found in the United States as well as in Canada.

May I add that that, in the opinion of many of us, these roots are the tentacles of a giant octupus which must be crushed if we are to have freedom of trade and a fair price structure.

I should like to quote No. 28 of the federal committee's report, which reads as follows:

That the profits to the farm implement companies on the sale of replacement parts is excessive and the price of these to the consumer should be materially reduced.

In that connection, I have a comparison of the selling price of repair parts and completed machines taken from the statement furnished by the auditors to the 1934 royal commission on price spreads and mass buying. I am not going to take up the time of the house to read the entire list, but I can assure you, Mr. Speaker, that it would have been interesting to put it on the record. From these figures one can see that if he bought a machine in repair parts he would pay double the price of the machine in some cases, owing to the higher price that is charged for the repair parts.

I now come to recommendation No. 29, which reads as follows:

That the increases announced by the companies in January, 1936, were not justified by an increase in manufacturing or distribution costs or by the financial results of the companies in so far as these were affected by the price level of farm implements.

If they were not justified in receiving an increase at that time it is not fair or just to take the increase that we have had in the prices of farm products in recent years and compare it with the increase in manufactured goods, especially farm machinery, when we know that these companies have been charging more than they should have been.

Recommendation No. 30 reads as follows:

That over the period 1891 to 1936 retail prices of farm implements have been maintained at too high a level as shown by the financial returns to the companies engaged in the industry, during that period.

Then No. 32:

That after due consideration of all the essential factors, the committee is of the opinion that any suggestion of a further increase is not justified at the present time.

I wish that that committee had an opportunity to make a report at this time to see if they would not use a little more severe and stronger language.

Recommendation No. 33 reads as follows:

That the committee is of the opinion that the cost of distribution of farm implements is unnecessarily high and constitutes an important factor in the prices to the consumers.

[Mr. Burton.]

I shall have something to say on that a little later. Therefore I shall go on to the next recommendation, which is No. 35:

That some agency of government should carefully analyse and correlate the evidence appearing in the records of this committee and in addition should obtain the results, when available, of the inquiry now proceeding in the United States, and in due course present a report in both matters to the Minister of Agriculture, a copy of such report to be filed with the records of this committee.

What has been done in the face of that recommendation? To-day when a member of this house asked for a copy of this report he did not know where to go to look for it or where to find it. He was told that it was out of print; that it was no longer in circulation; that there might be a copy in the library. But what about the recommendation of the committee that this work should continue? For a moment I should like to review the findings and recommendations of the Saskatchewan legislative committee that sat two years later. When we dealt with prices of farm implements the committee were in full agreement with the recommendations of the federal committee. They also said:

That the industry itself cannot, or will not, suggest a remedy.

The committee therefore recommended:

That the government of this province invite the cooperation of the dominion government and the governments of the provinces of Manitoba and Alberta in the carrying out of any plan to procure substantially lower implement prices.

The three prairie provinces did take action. After this committee had made its recommendations, every effort was made to bring into existence a cooperative implement association, to get them going in the business, but no sooner were they in a position to commence operations than we had regulations of one sort or another from the federal government which prevented their going ahead at that time. That was the help we got at that time. The cooperative has been set up chiefly to reduce the high cost of distribution which was mentioned in the federal committee's report and which the Saskatchewan legislature committee also reported. They are now in a position where one can expect them to go into business. In fact, this spring is the first time that they have been able to work out an arrangement whereby they can distribute new implements in the west. But now we have the price boosted, which takes away from the farmers practically all the benefits that they would have obtained from the cooperative which has been formed. That is the extent

of the cooperation that we get from the dominion government in spite of the recommendations of their own committee.

Mr. ILSLEY: May I ask the hon. gentleman a question?

Mr. BURTON: Yes.

Mr. ILSLEY: Was this cooperative to which the hon. member refers a cooperative for importing machinery and distributing or buying it from Canadian producers and distributing it?

Mr. BURTON: The main idea was to be in the distributing end as much as possible, to buy from the machinery companies wholesale and distribute the machinery among their members in the provinces. Their idea is to import when they cannot obtain the machines they require in this country, and with the assistance of the three prairie governments they have bought and put into operation a small manufacturing plant in Winnipeg. Is that an answer to the question?

Mr. ILSLEY: Yes.

Mr. BURTON: The next recommendation I was going to refer to is:

That, as the provisions of the Combines Investigation Act of the dominion appear to have been violated by the major companies in the industry, consideration should be given to instituting proceedings under the said act.

Again I ask, what has ever been done about that? Yet both committees suggested, one more strongly than the other, that there is every possibility that our combines act has been violated. In spite of that, we let them go on and become an octopus which threatens to strangle the very life out of this nation. The next recommendation is:

That dominion legislation be urged to remove all tariffs and other trade barriers on farm implements, repair parts and cream separators.

Here I wish to thank the Minister of Finance, as we did a year ago, for having removed the tariffs from farm implements.

Mr. SENN: What good did it do?

Mr. BURTON: As someone has just asked, however, what good has been done? According to the findings of that committee it should have done a great deal of good, but the trouble is that in all probability that octopus is preventing us from obtaining the benefit of that tariff reduction.

As I said before, at the outbreak of war the farms of the country were undersupplied with machinery and equipment. During the war, as we all realize, the reduced output of farm machinery and equipment was altogether inadequate to meet the increasing demand. By 1944, as was mentioned on a number of occasions, in different places and in different newspapers, the situation had reached what could be described as an alarming stage. Now, with the acute food shortage throughout the world creating a desperate need for every ounce of agricultural products that can be squeezed out of our Canadian farms, a survey has revealed that this matter of machinery and parts is something critical and urgent, which must be looked after at once. In my opinion, any attempt to withhold existing supplies from the market is criminal. I have here a few figures taken from Moody's "1945 Manual of Investments." On page 2449 appear the net inventories of the International Harvester Company for the years 1939 to 1944 inclusive, as follows:

1939	$102,474,694
1940	118,810,799
1941	133,114,427
1942	125,944,000
1943	142,151,000
1944	151,378,000

The net inventories of the Canadian subsidiary are to be found at page 2450, as follows:

1942	$8,652,000
1943	6,218,000
1944	7,576,000

Then, on page 2605 of the same manual we find the figures concerning the Massey-Harris company which was referred to by my leader, the hon. member for Rosetown-Biggar, as follows:

1943	$15,545,777
1944	20,034,125

Incidentally the net profits of the Massey-Harris company, which are shown on page 2604, were as follows:

1943	$1,322,356
1944	1,413,396

That is not too bad for these poor relations who need all this help.

Mr. ILSLEY: That was not from farm machinery.

Mr. BURTON: Well, they are the same shareholders. You can just examine that picture. Let me give one more company, the all-Canadian company. The Cockshutt Plow company had net earnings, as shown on page 2673, as follows:

1940	$236,014
1941	466,858
1942	538,747

As I said before, Mr. Speaker, in my opinion, the actions of the people who refuse to let these implements go into the trade are nothing short of criminal, and I am satisfied that they have deliberately withheld some of these implements from the market. I could bring to this house people who would

tell you that within a few days of the price increase a whole carload of implements came to one town, and there were other towns where the same thing happened, though they had been told previously not to expect any implements before June. Still they appeared on the scene shortly after the ceiling was lifted. In my opinion, those who are responsible for demanding an increase in prices of agricultural implements are nothing but a gang of racketeers with a dog-in-the-manger attitude. They belong to the same group of gentry who refused to let their patriotism work until the five per cent limitation clause was removed from war contracts.

Mr. J. S. SINNOTT (Springfield): Mr. Speaker, it has been a kind of pleasure to listen to these fellows all night. It puts me in mind of some of the auctions I have conducted in the past six years. They remind me of a group of people bidding from time to time to see who will get a certain machine or a certain animal. The only reason they are bidding here is that they are bidding for power. We are not so much concerned about being in power; we are concerned with the necessities of the producers, and the right of people throughout the world to live. I represent the farmers of Springfield, but do not forget that I also represent the towns in that riding. I can quite appreciate the actions of those who are bidding for power in telling the farmer we should raise prices. Certainly I am in agreement that we should raise prices, but we should be careful to see that those who are going to have to pay these prices are able to do so.

Mr. ROSS (Souris): Do you believe in parity?

Mr. JOHNSTON: That is a change of attitude since you left the farm.

Mr. SINNOTT: We are travelling in a vicious circle—

Mr. JOHNSTON: It certainly is.

Mr. SINNOTT: This is a vicious circle we are travelling in, and hon. members on the other side of the house are making that circle as much worse as possible.

Mr. JOHNSTON: The hon. member is not helping it any.

Mr. SINNOTT: I am a farmer from western Canada, and I have come here and have had to listen to these sob-stories from day to day. We have been listening to sob-stories from western Canada for about a month, and I am not at all convinced by them. They are only bait for the farmers in hon. members' districts. I am considering the people of Canada as a whole.

Mr. ROSS (Souris): What about the hon. member for Prescott (Mr. Bertrand)?

Mr. JOHNSTON (Bow River): That is not the way you used to talk.

Mr. SINNOTT: Wait until I have finished, and then you will have a chance to say something.

Mr. MARSHALL: He said his part.

Mr. SINNOTT: And our hon. friend, Mr. Burton—

Some hon. MEMBERS: Order.

Mr. SINNOTT: The hon. member for Humboldt (Mr. Burton), rather, said as reported at page 106 of *Hansard* on March 19—

Mr. JOHNSTON: You cannot quote that.

Mr. SINNOTT: I quote:

> If I may be so bold, I should like to offer my congratulations to the Minister of Agriculture—

Some hon. MEMBERS: Order.

Mr. SINNOTT: We have one man in the house to call "order" and I will sit down when he says so.

Mr. JOHNSTON: He is not listening to you.

Mr. SINNOTT:

> If I may be so bold, I should like to offer my congratulations to the Minister of Agriculture (Mr. Gardiner) upon the speech he has just made. Regardless of whether a person agrees with him, I think he is always interesting to listen to. While his speech always sounds good when you are sitting here, when you read it next morning in *Hansard* you begin to wonder just what it was all about. Then, when you get out into the country and hear different versions of it you begin to wonder which speech the minister gave.

I think the hon. member has surely got past the school stage. When he comes here and listens to a speech of the Minister of Agriculture, agrees with it when he is in the house, and agrees with the policy the minister has followed all through the war—

Some hon. MEMBERS: No, no.

Mr. SINNOTT: —and agrees that the farmers of to-day were never so happy in their lives—

Mr. BURTON: I did not object to the hon. member's being out of order, and quoting from a speech which should not have been quoted. But I still did not expect that when we permitted him to proceed he would vary from the facts.

Mr. SINNOTT: I have endeavoured to state the facts, facts which my own people give me.

Mr. WRIGHT: Whom do you call your own people?

An hon. MEMBER: Who are they?

Mr. GAUTHIER (Portneuf): Do not mind them.

Mr. SINNOTT: Oh, they do not bother me in the least. We have listened to the hon. member for Humboldt when he has been digging into the records of certain machinery companies. While he has quoted certain figures, let me say that the Massey-Harris company has never shown more than a five per cent dividend on farm machinery since it has been in existence.

Mr. JOHNSTON: That is not so bad.

An hon. MEMBER: That is more than some of the farmers can say.

Mr. SINNOTT: I would ask the hon. member if he has not received considerably more than five per cent on his investment in the last five years.

Mr. BURTON: Do you want me to tell you how much I lost during the ten years before that?

Mr. SINNOTT: Then, again, the hon. member said that this house reminded him of a black and white pussycat. Well, the people of Canada have had to hold that black and white pussy for a long time, and they intend to keep it. They are afraid of the black one.

As I said before, I represent the farmers in my constituency, and have farmed for a considerable length of time. I believe the hon. members for Souris and Humboldt have had the same experience I have had, and I want to be fair not only to the farmers in my constituency but to the people as a whole. While my hon. friend the member for Souris went back as far as 1919—and I am not going to go back that far—I shall be content with going back to 1939, and take the dollar value in that year, as to what the farmer could buy. In 1940, prices of farm machinery advanced 2·5 per cent; manufactured goods, 8·30 per cent; wages in agricultural industry, 5·1 per cent; farm products, 4·4 per cent. In 1941, agricultural implements increased 5·8 per cent over the 1929 figures; manufactured goods increased 17·9 per cent; wages in agricultural industry increased 17·6 per cent, and farm products increased 10·7 per cent.

Mr. JOHNSTON: That does not correspond with the statement by the Minister of Finance.

Mr. SINNOTT: In 1942, agricultural implements increased from the dollar value of 1939 15·4 percent; fully manufactured goods, 22 per cent; wages in agricultural industry, 36·7 per cent. In 1944, agricultural machinery increased 12·4 per cent over the 1939 value; manufactured goods, 24·3 per cent; wages in agricultural machinery, 51·9 per cent, and farm products, 49 per cent.

In 1944, farm implements increased from the dollar value of 1939 15·4 per cent higher; manufactured goods, 24·3 per cent; wages in agricultural industry, 52·5 per cent; and farm products, 60 per cent over the 1939 figure. In 1945, farm implements increased from the dollar value of 1939 only 8·9 per cent over the 1939 figure owing to the reduced tax. Those figures pretty well speak for themselves. The farmers had a pretty fair share of the income.

When it comes down to the talk about prices, and the fellows here are fighting for the strikers to get higher wages, it is all fine and dandy with me. But you people who represent farmers, which you pretend to do, will have to know that the same farmers will have to pay more for it.

Then, going back to the farm figures—and I do not like to disagree with the hon. member for Souris, because he has known me for a long time—

Mr. STEWART (Winnipeg North): When you were a Tory.

Mr. SINNOTT: We were on the executive of the union of municipalities, together. However, we do disagree to-night. The Liberals are in power; fine and dandy.

An hon. MEMBER: Not so good.

Mr. SINNOTT: The Conservatives were in power in 1933, and I will give something of what happened in those days.

Mr. JOHNSTON: Tell them, not us.

Mr. SINNOTT: I am going to compare values in 1929 with those of 1933 on farm products. We heard the hon. member for Souris say to-night that some days ago there were only twenty-five cattle on the market. But the price of cattle to-day is around $12 a hundred for top steers. Let us look back to 1933, when the Conservatives were in power, to see how much they could expect for their cattle in those days. Butcher steers were selling in 1929 at $10.16 per hundredweight, and the price in 1933 was $4.47. Hogs were selling in 1929 for $12.27 per hundredweight, and the average price in 1933 was

$5.54. I had five or six of them hanging up in my granary and I could not even sell them.

Mr. POULIOT: My hon. friend knows that owing to Mr. Bennett's high tariff butter went down in 1931 to a rock-bottom price of sixteen cents a pound.

Mr. SINNOTT: As the hon. member for Temiscouata knows, in many cases they were using butter for axle grease. We wish we had some on our table to-day. The 1929 price of butter was 39·3 cents a pound, and the average price in 1933 was 21 cents a pound. Eggs in 1929 sold for 48 cents a dozen, with the 1933 price being 28 cents a dozen.

We are now getting into the matter which has taken up a considerable time in this house. Wheat No. 1 northern, basis Fort William, sold at $1.24 a bushel in 1929, while in 1933 it sold at the magnificent price of 54·3 cents a bushel. In 1929 oats sold for 58·8 cents a bushel; in 1933, 26·4 cents a bushel. Barley sold in 1929 for 71·5 cents a bushel and in 1933, 32·2 cents a bushel. The price of flax in 1929 was $2.02 a bushel; in 1933, 90 cents a bushel.

The reason for criticism from the other side is the reason I gave, a bid for power. The only reason I came here was to try to do something for Canada as a whole. I am not interested in power. I contend that the people of Canada were never better off financially in their lives. They would be satisfied to have these prices stabilized over a period of years. I was instrumental in bringing about a stabilized price for wheat, and if we can stabilize prices of everything else we shall be happy for many years to come.

Mrs. GLADYS STRUM (Qu'Appelle): Mr. Speaker, I am sorry the Minister of Agriculture (Mr. Gardiner) is not in his seat at the moment because the last words I heard from my husband as I boarded the train at Broadview were not for me but for the minister. I cannot tell him the message I got for him. There were other messages that I got for the minister which I also cannot tell him.

Everyone realizes at this time that there have been increases in the cost of the materials and labour that go into the making of farm implements. A person would have to be very young indeed if he did not recognize this fact, but it is interesting to note that in the breakdown of the cost of a binder, according to the report issued in 1936, out of the price paid by the farmer at Regina of $281 there was only $22.62, or eight per cent, paid out in wages. Out of that $281 paid by the farmer, the cost of materials was only $71.06, or 25 per cent. The combined cost of labour and material came to 33 per cent of the total cost to the farmer.

The other two-thirds of the cost were made up of other items such as overhead, experimental work, freight, commission and profit. What we should be asking now is whether there have been savings made in these other items that would help to compensate or offset the rise in the cost of materials and labour. I submit that there have been considerable savings to the companies on these various items.

Since the table was compiled in 1936, the price of binders has increased steadily. The same report tells us that the price jumped from $281 in 1936 to $324.75 in 1939, or an increase of 15 per cent. In addition to this increase, a new device was adopted for cutting losses on credit sales. This cut out the advantage to the buyer who paid cash and increased the cash price in order to make up for losses through time-payment sales. In other words, the cash customer carried the loss instead of the company.

If this was unfair in 1939, it is doubly unfair now in view of the fact that the pressure of demand at the present time results in cash sales in practically every case. The man who comes to have his name put on the waiting list for a binder, a tractor, a combine or a one-way now comes with cash in his hand, but he is still paying for the risk of the credit purchaser who has disappeared from the field. There has been no announcement that this charge has been removed from the books of the company when adding up costs

In the matter of credit collections, selling and collection expenses are given some attention in the report. The committee found:

> There was a very decided duplication in selling and collection expense, all of which is reflected in the retail price. Each company has its own dealer organization, its own salesmen, its own collection agents, and its own service men which must be taken care of in the price paid by the farmers. The companies are inclined to agree with the above but insist that the industry does not see any way to effect a saving in these items of cost of distribution.

On motion of Mrs. Strum the debate was adjourned.

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

Tuesday, May 7, 1946.

The house met at three o'clock.

INTERNATIONAL AGREEMENTS

CANADA-UNITED KINGDOM-NEWFOUNDLAND—DEFENCE AGREEMENT WITH NEWFOUNDLAND

Right Hon. L. S. ST. LAURENT (Minister of Justice): On behalf of the Secretary of State for External Affairs (Mr. Mackenzie King) who is unfortunately prevented from being in the house at the moment, I should like to read a statement which had been prepared for him in connection with a defence agreement with Newfoundland.

I wish to table copies of an agreement recently completed between Canada, the United Kingdom and Newfoundland concerning the disposition and post-war use of certain defence installations in Newfoundland.

Before the recent war the defence of Newfoundland was generally deemed the exclusive responsibility of the United Kingdom, but it maintained there no defence installations nor military establishments. At the outbreak of war the United Kingdom had neither trained personnel nor equipment to spare for Newfoundland's defence, and overtures were made to Canada shortly thereafter by the Newfoundland government for equipment and assistance in training a local establishment. At the time, however, little assistance could be rendered because of shortages of equipment here in Canada.

Following the military collapse of western Europe in 1940, a battalion of Canadian troops was promptly dispatched with the full approval of the Newfoundland and the United Kingdom governments to guard the Newfoundland airport at Gander, and this initial force was greatly enlarged within the following year by additional army, air and naval establishments. Arrangements were also made with Newfoundland for the co-ordination of Newfoundland home defence forces and Canadian army forces under an over-all Canadian command. Following the lease of bases in Newfoundland in 1941 to the United States for ninety-nine years, very considerable United States forces were also established in Newfoundland.

Shortly after the despatch of the first Canadian troops to Newfoundland, by agreement with Newfoundland Canada assumed responsibility for the operation and control of Gander, Gleneagles and Botwood air bases for the duration of the war, and later constructed Goose Bay air base in Labrador and Torbay air base near St. John's. By agreement with the United Kingdom and Newfoundland governments, Canada also contructed on British admiralty account a naval base in St. John's. These various bases were available to the United States and United Kingdom throughout the war and were of inestimable importance in the conduct of the war. Without them the task of maintaining supplies to Britain, and of building up there a striking force, would have been immensely more difficult and victory in the desperate battle of the Atlantic would have been much longer delayed.

With the cessation of hostilities the continuance of a large armed establishment in Newfoundland and the maintenance there of most defence installations established during the war have fortunately become unnecessary. The armed services have accordingly been withdrawing their personnel as rapidly as possible consistent with the care of equipment and properties. By now virtually all personnel have been withdrawn except from Goose Bay air base to which Canada has been granted a lease for defence purposes for ninety-nine years.

The strategic importance of Newfoundland for the defence of Canada and North America generally and for the maintenance of communications across the North Atlantic has, however, been greatly enhanced by developments in aerial warfare and aerial navigation. The Newfoundland, United Kingdom and Canadian governments are therefore in agreement that some continuing arrangements for the defence of Newfoundland are essential. The agreement which I have tabled is designed to meet this need, as well as to provide for the disposition of Newfoundland air bases which have been under Canadian control during the war. It provides that control of the air bases at Gander, Gleneagles and Botwood are to be handed back to Newfoundland as of March 31, in accordance with the original understanding between the two governments. In the event of an outbreak of hostilities involving Newfoundland and Canada, Canada may however take over control of Gander airport for the duration of hostilities. Canada will continue to operate Torbay airport as a civil airport for the Newfoundland-Canada service and may use it for military purposes as required. Article 5, which provides for continued cooperation in defence, reads in part: "the governments of Canada and Newfoundland, and as necessary the government of the United Kingdom, will consult with one another from time to time as occasion may require

with a view to coordinating defence requirements in Newfoundland." The same article also provides that Canadian and United Kingdom military aircraft may fly over Newfoundland and may use any airport in Newfoundland under Canadian or Newfoundland control.

Since Newfoundland is shortly to hold a constitutional convention with a view to making recommendations as to its future form of government, the present Commission of government in Newfoundland felt that it would be undesirable to make long-term commitments, a view with which the Canadian government concurred. The present agreement, therefore, is for three years certain, but is to remain in force thereafter subject to alteration by agreement or to termination on twelve months' notice by any of the three governments.

At this time when we are winding up our wartime activities in Newfoundland, I think it is fitting to express on behalf of the government our deep appreciation of the splendid cooperation which we have received from the Newfoundland government throughout the war and of the hospitality which the people of Newfoundland have constantly extended to the many Canadian service personnel stationed from time to time in their midst. One advantage of this partnership in the war effort is that mutual understanding between Canada and Newfoundland has undoubtedly been strengthened. Thousands of Canadians have come to know Newfoundlanders personally and to appreciate Newfoundland's problems. And Canada will not forget that a considerable number of her sons lie in Newfoundland graves. Personal ties are bound to strengthen the bonds of friendship through the years.

It is perhaps fitting also that I should take the occasion to pay tribute to Newfoundland's direct war effort. Over 5,200 men raised by voluntary enlistment were sent overseas to the United Kingdom forces, and over 1,700 were enlisted for home defence. I am pleased to say also that over 1,200 male residents of Newfoundland served in the various Canadian armed services, and about 525 women in the various Canadian women's services. In addition, Newfoundland advanced to the United Kingdom in interest free loans, about twelve and a half million dollars. The house, I feel sure, will agree that Newfoundland, though a relatively small country, made a really substantial contribution to the achievement of victory.

Mr. COLDWELL: May I ask a supplementary question, in view of the importance of the agreement between Canada and Newfoundland? Would the Secretary of State for External Affairs send this agreement to the external affairs committee for study? This house should be apprised of the contents of the agreement; therefore it would be of service to have it studied by the committee.

Mr. ST. LAURENT: I do not exactly remember the terms of the reference to the committee on external affairs, but I would imagine they would be sufficiently broad to make available to the committee all papers tabled during this session which have to do with external affairs.

Mr. COLDWELL: I should think so.

PAN-AMERICAN DEFENCE

INQUIRY AS TO PROGRAMME OF COLLABORATION AMONG AMERICAN COUNTRIES

Mr. JOHN BRACKEN (Leader of the Opposition): On behalf of the Secretary of State for External Affairs the Minister of Justice has given us a statement with respect to defence establishments in Newfoundland. I am sure the house has listened with interest and, so far as we understand it I should think with approval, to the statement, but it raises another question I had intended to direct to the Prime Minister. The Minister of Justice has indicated that he would answer it and perhaps I may be permitted to ask it at this time. It has to do with the question of collaboration in Pan-American defence.

Incidentally, if I may make an observation here, the statement with respect to defence establishments in Newfoundland raises the question of the political relationship of that island to Canada. The house would welcome a statement either by the Prime Minister or by some other member of the government as to whether there has been any discussion of a closer relationship between that island and Canada.

At the moment I wish to ask two related questions of the Secretary of State for External Affairs, both arising out of a dispatch which appeared in yesterday's Ottawa *Evening Journal* respecting a bill which President Truman has sent to both houses of congress. The tenor of the bill is indicated by the first paragraph, which reads as follows:

> President Truman asked congress to-day to authorize a programme of military collaboration between this country and other American republics. Canada was included by the president in his plan.

The questions are: Did any conversations take place between the governments of Canada and the United States on the matter of Pan-American defence prior to the president's mes-

sage to congress, and has any action been agreed to by the government of Canada which in any way prescribes our present diplomatic freedom in dealing with the various South American republics?

Right Hon. L. S. ST. LAURENT (Minister of Justice): The Secretary of State for External Affairs has prepared an answer to the question, which is as follows:

I should judge that the president's message to congress is in the nature of a request for legislation which would enable the United States government to provide technical and other assistance to the governments of other American states under arrangements for defence cooperation which might be concluded. As such, it is primarily domestic legislation, the passage of which must precede the conclusion of such arrangements.

The answers to the questions put by the leader of the opposition are in the negative. The terms of this legislation were not discussed with the Canadian government and no conversations have taken place between the two governments on Pan-American defence. Moreover, I can state definitely that no action has been agreed to by the Canadian government which in any way prescribes our present diplomatic freedom in dealing with the various other American republics.

BUILDING MATERIALS

ASSURANCE OF FAIR SHARE TO SMALL TOWNS

On the orders of the day:

Mr. H. R. ARGUE (Wood Mountain): I should like to direct a question to the Minister of Reconstruction, notice of which I sent to him. Will the minister state what steps will be taken to assure small towns of a fair share of building materials?

Hon. C. D. HOWE (Minister of Reconstruction): Small towns are getting their share of building materials under equitable distribution methods or procedures administered by the wartime prices and trade board in the same manner as that in which all other supplies are distributed in Canada. Quotas are based on purchases during base period which is the year 1941. All distribution, whether to large or small towns, is on that basis.

HOUSING

NOTICE OF EVICTION ON MAY 31 FROM LONDON BLOCK, SASKATOON

On the orders of the day:

Hon. ALPHONSE FOURNIER (Minister of Public Works): Yesterday the hon. member for Saskatoon City put the following questions to the Minister of Public Works, but I was out of the house at the time. I should now like to reply. The questions were:

Is it the intention of the minister to evict, on May 31 some sixteen families from the London block in Saskatoon? If so, is the government prepared to take responsibility for finding shelter for these families at that time?

In 1945 the Department of Public Works took over two floors of that building for the use of the Department of Veterans Affairs. Some months ago, because of the expansion of their activities, they requested more space in the same building. We gave notice of eviction some days ago to take effect on May 31. Since that notice was sent out I have received written complaints, addressed to me personally, from every tenant; therefore I have asked the officers of the department to reconsider the situation and try to find space elsewhere.

KURT MEYER

INCARCERATION IN CANADIAN PENITENTIARY

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should perhaps preface my question by saying that I have not been able to give notice of it to the Minister of National Defence. There have been many rumours, semi-official press reports, and reports in the press which seemed almost official, in regard to the eventual disposition of General Kurt Meyer, who was brought to Canada last week. I wonder if the Minister of National Defence would consider making an official statement to the house in behalf of his department and the government so that we may know and the public may be informed as to exactly what is going on in connection with this man. I raise the question to-day because some veterans in my own constituency have been somewhat agitated over it, and they are anxious that someone in the house should raise the question in order that the government may have an opportunity of making a statement as soon as possible.

Hon. DOUGLAS ABBOTT (Minister of National Defence): Perhaps I can answer the question now. The person in question, Brigade Fuehrer Kurt Meyer, is confined in Dorchester penitentiary, as the house is aware from statements that have appeared in the press. The Department of National Defence no longer has anything to do with the matter of his custody, which is now the concern of the Department of Justice. He is incarcerated in Dorchester penitentiary under the same conditions that apply to any other criminal; and whether he stays there or is moved to

another penitentiary is a matter which I assume would be dealt with by the Department of Justice in exactly the same way as they would deal with the care and custody of any other prisoner.

Mr. POULIOT: Is it true that the government will build him a mansion?

Mr. ABBOTT: No.

LOAN TO UNITED KINGDOM

APPROVAL OF FINANCIAL AGREEMENT SIGNED MARCH 6, 1946

The house resumed from Monday, May 6, consideration in committee of bill No. 28, respecting the financial agreement between Canada and the United Kingdom signed on the 6th day of March, 1946—Mr. Ilsley—Mr. Macdonald (Brantford) in the chair.

The CHAIRMAN: When the committee last sat it was considering section 4.

Mr. POULIOT: Mr. Chairman, this morning I did part of the work that should have been done by the Minister of Finance, the leader of the opposition, the leader of the C.C.F. group and the leader of the Social Credit group. For some time we have been discussing trade without having definite data about it. My information comes in the first place from Whitaker, a well known English publication, and in the second place from the official report of the Department of Trade and Commerce for the year ended March 31, 1945. It has been said that the United Kingdom is our best customer. That is incorrect and untrue. According to Whitaker, 1944, the total trade of the United Kingdom and Canada in millions of dollars for 1938 was as follows:

(In millions of dollars)

	Exports	Imports	Total
United Kingdom .	2,090	3,813	5,903
Canada	889	678	1,567

This means that the exports of the United Kingdom were two and a quarter times those of Canada, while the imports of the United Kingdom were five and two-thirds times those of Canada. The total trade of the United Kingdom, as I have said, was $5,903 million, while that of Canada was $1,567 million. It would be interesting to know the trade of Canada with the United Kingdom. I do not have that for the year 1939, but I have it for 1938, and there would be only a slight difference in 1939. In 1938 our paid exports to the United Kingdom amounted to $349 million, while our paid imports from the United Kingdom were $104 million. That is a total of $453 million, which was less than one-third of the total Canadian trade for that year. Those figures come from Whitaker. Now I turn to the official report of the Department of Trade and Commerce. In 1944 the total Canadian trade, as compared with that of 1939, was as follows:

(In millions of dollars)

	Exports	Imports	Total
1944	3,439	1,752	5,191
1939	924	751	1,675

These figures indicate a surplus difference of $2,515 million as between the two years in regard to exports, and a surplus difference of $1,001 million in regard to imports, or a total surplus difference in 1944, as compared with 1939, of $3,516 million. In other words the surplus difference in our total trade in 1944 was more than twice that of 1939; and it is important to note also that during the war our total trade was nearly as great as the pre-war trade of the United Kingdom. The total trade of the United Kingdom in 1938 was $5,903 million, while our total trade in 1944 was $5,191 million. What is important? The important thing is to compare the 1944 Canadian-United Kingdom trade with that of 1939, and to show the result in millions of dollars. The following table will give that information:

1944 Canadian United Kingdom trade compared with 1939 (in $ million)

	Unpaid exports	Paid imports	Total
1944 ...	1,235	110	1,345
1939 ...	328 (normal)	114	442
	plus 907	minus 4	plus 903

Total Canadian "Exports" to United Kingdom (in $ million)

1939	328
1941	658
1942	741
1943	1,032
1944	1,235
	$3,994

I hold in my hand the annual report of the Department of Trade and Commerce, which is available to every hon. member. This report states that during those five years only once—in 1941—did we export more to the United Kingdom than we did to the United States. Besides that, our exports to the United States in each year were greater than those to Great Britain.

Mr. ILSLEY: Was that 1939 to 1944?

Mr. POULIOT: In the years 1939, 1941, 1942, 1943 and 1944. In the same years our imports from the United States were considerably larger than those from the United Kingdom. These are the figures showing our imports from those two countries:

Year	Imports from United States	Imports from United Kingdom
1939	$ 496,898	$114,007
1941	1,004,498	219,419
1942	1,304,680	161,113
1943	1,423,672	134,965
1944	1,474,286	110,599

There is a very large margin in connection with imports, much larger than applies to exports, because our exports to the United States were paid while those to the United Kingdom were financed. That is altogether different. I say they were unpaid from 1942 to the present time, because the loans sometimes were gifts, or amounted to that. It is unbelievable that a small nation, with one-fourth the population of the United Kingdom, and constituting only a small fraction of the British empire, including the United Kingdom and all the other British possessions, should finance the whole trade of the sterling area.

I have the utmost sympathy for the minister, because others made commitments upon which he had to act. This matter is very deep, and is of considerable importance. However, on March 18, 1942, the minister said that the whole of the sterling area's deficit had been financed by Ottawa out of its own resources. Hon. members who were not in the house at the time may not have read this, but it is of tremendous importance. On that occasion the minister said, in the first instance in connection with financing by Canada of the sterling area's net defiicit of $1,770 million:

> This deficit has been financed in three ways. In increasing order of importance they are: gold payments from the United Kingdom to Canada; redemption of purchase, mainly in advance of maturity of Canadian security obligations held in the United Kingdom; and the accumulation of sterling balances held by the foreign exchange control board on deposit in London.

He said that the whole of the sterling area deficit had been financed by Ottawa, out of its own resources. Then he continued:

> Gold payments by the United Kingdom have amounted to $250 million over this whole period. As the house is aware, the last payment was received in December, 1940, and since that time the whole of the sterling area deficit has been financed by Canada out of its own resources.

International accounts, naturally.

> Over the period as a whole gold payments have covered less than 15 per cent of the sterling area deficit in Canada.
>
> Not only have gold payments by the United Kingdom been kept to relatively modest proportions, but every ounce of gold we obtained from the United Kingdom was promptly converted into United States funds and used—

For Canada? No.

—to pay for United States goods needed to complete war orders for the United Kingdom.

We did not keep the money that we received. We passed it over to the United States, to credit the account of Great Britain. Then he continued:

> Exact statistics are not available, but there can be no doubt whatever that the amounts we have paid out in United States exchange in connection with British war orders in Canada are very greatly in excess of the amount of hard currency settlement received from the United Kingdom.

That is what was said on that occasion by the Minister of Finance. It was not said by any leader of an opposition group or by any private member who had been accused by the ultra-imperialist press of being isolationist; it was the Minister of Finance himself who declared that the gold payments by the United Kingdom had covered less than fifteen per cent of the sterling area deficit in Canada and commented that they had been kept to relatively modest proportions. The minister said that since December, 1940, we have taken the whole burden on our shoulders. The minister's words were:

> Until December, 1940, the United Kingdom shared with us the burden of providing the necessary hard currency. Since then we have taken the whole burden on our own shoulders. The burden has not been a light one . . .

I admit it. I am sorry for the minister. I know he is honest and I know he is in a very difficult position. If he were not honest I should be speaking to him in a very different manner. As Minister of Finance he must take care of the commitments that have been made by others, and I shall come to that in a moment. I have another reason for respecting the minister. It is because he is a hard worker, and I think everyone will agree with that statement.

The date, December, 1940, is of the utmost importance. It was in that month, first, that Canada received the last gold payment from the United States; second, that the United Kingdom discontinued to share with us the burden of providing the necessary hard currency, and, third, that we took the whole burden on our shoulders. This having been said, the minister then went on to say that the burden had not been a light one. The burden of financing the whole sterling area could not have been a light one. He made other statements which are all included in a book I wrote but never had published. I had intended to have it published in Toronto, and I thought it would be a good idea to read an advance

copy to my colleagues. By the way, I had the honour of having it described a long time ago as the great Canadian book of the year.

Mr. MacNICOL: It will be a good book. When it comes out we shall all want copies.

Mr. POULIOT: There will be a word of praise in it for the support I received from my hon. friend in having the public accounts improved. I thank the minister for meeting the request made by the hon. member, the hon. member for Broadview, and myself. Once again we were doing the work of the leader of the opposition of the time, of the leader of the Social Credit group and of the leader of the C.C.F. group. We were trying to reform the public accounts, and after we had made our representations the minister agreed to do it. I quote again from the minister's remarks:

Our United States dollar problem and our need of foreign exchange control are in part a direct consequence of our assistance to Great Britain.

Then a most unusual thing occurred. The Minister of Finance went so far as to express deep concern about the result of the financial policies he had been sponsoring. He said:

I warned the house in introducing the budget last April—

1940.

—that the need for United States exchange conservation had not passed; and lest any one should think that the Hyde Park agreement has solved our United States dollar exchange problem, I should like to say that our official reserves of gold and United States dollars fell by $142,000,000, United States dollars, in 1941. Moreover, although the outlook is far from clear, it must be recognized that, failing remedial action, we appear to be faced with another sizable loss of reserves this year. Our United States dollar position is, therefore, still a major cause of concern. I stress this point because our United States dollar problem and our need of foreign exchange control are in part a direct consequence of our assistance to Great Britain.

At that point the minister made this remark:

When we are proposing to open a new chapter in our financial relations, the record regarding the past should be made quite clear.

I agree with that. The new chapter in our financial relations with Great Britain was not opened on March 18, 1942, when the minister made that statement on the sterling area financing scheme; it dated back to fifteen months before; it dated back to December, 1940, when Great Britain made its last gold payment and when we took on our own shoulders the whole burden of financing the sterling area deficit.

Mr. ILSLEY: We could not have got any more gold from Great Britain.

[Mr. Pouliot.]

Mr. POULIOT: I know, but that was the last time we received gold from Great Britain. Instead of keeping it here for our trade we sent it to the United States for the benefit of Great Britain, as the minister said on March 18, 1942. The Minister of Finance did not try to escape any responsibility, but he did not make the record regarding the past clear enough.

On November 7, 1940, the late Arthur B. Purvis was appointed by the United Kingdom to the new war purchasing commission. A dispatch to that effect appeared in the Montreal *Gazette* of November 8, 1939, but I shall not read it. This board replaced the previous board. The defence purchasing board was set up under the Minister of Finance in July, 1939, a short time before Mr. Dunning's resignation and departure for London. It was under his successor in that capacity, Colonel Ralston, when it was replaced by the war supply board with "extraordinary powers, under the War Measures Act, to mobilize and regulate industry, production and other resources in Canada for a concentrated war effort" and when Mr. Purvis was appointed to it. The news appeared in the press more than eight months before the Prime Minister introduced the Mobilization Act in June, 1940.

On November 15, 1940, Colonel Ralston left for London. The minister of national defence had died in June. At the time the minister of national defence was also acting minister of finance. I was the only member of parliament to protest against this. He was more a minister of international finance than a minister of national defence, because the brass hats ruled the department when he was there.

On June 11, Colonel Ralston recited to the house the details of what he said was his most useful evening with the late Arthur B. Purvis. Colonel Ralston said:

Mr. Purvis was good enough to give me, in the way he can give it quickly, concisely and comprehensively the fullest statement possible with regard to production in United States and with regard to the needs of Britain with regard to munitions and supplies. I do not know when I spent an evening which was more useful in connection with the work that I was doing, and it gave me an idea of how we could integrate our production with that of the United States and our needs with the needs of Britain.

I emphasize those last words:

It gave me an idea of how we could integrate our production with that of the United States and our needs with the needs of Britain.

Colonel Ralston added that he kept that information for his colleague the Minister of Munitions and Supply. Neither of them said any more to the house about Purvis' statement. "The record regarding the past,"

read in the house by the Minister of Finance March 18, 1942, makes it clear beyond doubt that the Purvis "statement" to Colonel Ralston was the suggestion to finance the whole of the sterling area deficit by Ottawa out of its own resources—and we may draw the conclusion that it was because it was so promptly accepted by Colonel Ralston that Mr. Ilsley expressed so much concern about it, and went so far as to state that—

—our United States dollar problem and our need of foreign exchange control are in part—

Note the words:

—are in part a direct consequence of our financial assistance to Great Britain.

He specified that "we have taken the whole burden on our own shoulders" from December 1940, the time when Colonel Ralston spent his most useful evening with Mr. Purvis.

I sympathize with the Minister of Finance because he was responsible for the whole product of that nefarious triumvirate of Purvis, Dunning and Ralston, and I was the only member of parliament to protest against it. And now one of Ralston's chums is acting as political adviser to the leader of the opposition and one of his former law partners is head of the National Liberal Association. It reminds me of an old serial, "The Clutching Hand" which appeared on the screen a long time ago, in which at the end of every episode a hand seemed to reach out to clutch everyone in the audience—just like the octopus of international finance.

I understand that the main argument of the Minister of Finance in favour of this loan is that it is a preparation for the coming international trade conference to be held this summer. Is not that so?

Mr. ILSLEY: No, I would say that that was not the main argument in favour of the loan. The lending plans of the United States and Canada and the Bretton Woods arrangements, and the trade arrangements perhaps, are all part of a great plan to extend trade throughout the world. But I would not say that the loan to Britain can mainly be defended on the ground that it is a preparation for the international trade conference.

Mr. QUELCH: I should like to ask the Minister of Finance a question, but first I will refer to a statement made in the debate yesterday by the hon. member for Calgary West, who said at page 1239 of *Hansard*:

Why all this fuss now about some United States citizens buying Canadian Pacific shares? Is it suggested that we should put restrictions on them, that they must be held in Canada?

Just prior to that, I had been asking questions regarding the sale of Canadian Pacific securities in the United States, and I referred to them simply because I had the report at hand; for I feel exactly the same way about all Canadian securities, not merely Canadian Pacific. I think it is definitely detrimental to the welfare of this country to sell Canadian securities outside of Canada, because it means the expansion of our external debt. Surely nobody would argue that the expansion of our external debt would be a good thing for this country. The hon. member for Calgary West said that in the olden days Canadian Pacific shares were sold abroad. That is true, but the situation then was entirely different. We had to sell Canadian securities abroad then to get the capital required to develop this country because we had not the machines we have to-day. But to-day no one would suggest that Canada is not able to finance the development of its own resources without borrowing externally.

If anybody has any doubt on that point, recall what happened in the war. We financed our war effort to the extent of five billion dollars without borrowing one cent externally, and if we could finance our war effort to the extent of five billion dollars without selling Canadian securities abroad, would anybody suggest that it is necessary now to obtain external capital in order to bring about every expansion in this country that is desirable? The undoubted answer is that it is detrimental to the welfare of this country to sell Canadian securities abroad, whether Canadian Pacific or any other securities, public or private.

I wish to refer to a question put by the hon. member for Springfield at page 1241 of *Hansard*. He asked the Minister of Finance:

Is the financing done through the Bank of Canada or by borrowing from the private banks?

The Minister of Finance answered:

The amounts are not segregated. They are just like any other money which the dominion obtains by taxation or by borrowing from the public or by borrowing from the chartered banks and perhaps to some extent from the Bank of Canada, but that latter is very limited.

Then the member for Rosetown-Biggar asked:

Will it necessitate borrowing the savings deposits standing to the credit of the people of Canada in order to pay for the goods that flow to England so that the people who make them here can be paid for them in Canadian currency?

And the Minister of Finance replied: yes. But over the page he had stated that the money was obtained by the dominion by taxation or by borrowing from the public or by borrowing from the chartered banks and perhaps to some extent the Bank of Canada. So evidently when he gave that answer to the

member for Rosetown-Biggar he did not mean to say that we were going to finance entirely by public issues.

Mr. ILSLEY: No.

Mr. QUELCH: But there is a danger that some people may think that the minister's answer means that the people's deposits will be borrowed by borrowing them from the banks. The minister will agree that it does not mean that, because when you borrow the people's savings you cannot borrow them from the banks. When you borrow from the banks you have an expansion of credit. The banks cannot lend their deposits.

I take it that we shall finance this loan to Britain largely by taxation and secondly by another victory loan, by whatever name it may be called, and there may be a certain amount of borrowing from the chartered banks. I take it that on borrowings from the people the rate will again be three per cent?

Mr. ILSLEY: It is not likely. The average rate is less than three per cent at present.

Mr. QUELCH: Not from the people. I know that we are borrowing from the chartered banks for as low a rate as ·78 per cent, less than one per cent, and when you average that rate with three per cent you get of course a lower rate than three per cent. But we are not borrowing from the people at a lower rate than three per cent.

Mr. ILSLEY: Long-term bonds are at a premium. It would be possible to borrow long-term money at considerably less than three per cent.

Mr. QUELCH: On long-term public issues?

Mr. ILSLEY: Oh, yes; and the shorter the term the lower the rate.

Mr. QUELCH: From the people of Canada?

Mr. ILSLEY: Yes.

Mr. QUELCH: Does the minister mean from the insurance companies?

Mr. ILSLEY: What I mean is this. It would be possible now to borrow from the public of Canada, on long term, bonds at substantially less than three per cent. The price which victory bonds have reached shows that.

Mr. QUELCH: I am glad to hear that, because it helps me to bring out the point I wish to make. I hope that the next victory loan will be sold at one and a half or two per cent. Under the agreement with Britain we are proposing to make a loan without any interest until the year 1951. I understand Britain will not pay interest until 1951 and after that at the rate of two per cent. It is possible that we may float a victory loan at two per cent, so that our only loss would be on the first five years up to 1951. Now I have received a number of letters from people in my constituency saying: "Why is it that we can lend to anybody, apparently, except Canadians, money at two per cent, or even money for a period of five years without interest at all, when we have to charge our own people a rate of three or four per cent?"

I appreciate the reason given by the minister. He said this loan to England was based on ability to pay. We had to reduce the rate of interest to a level that would make it possible for England to repay the loan. I have nothing to criticize in that but if, in order to make certain goods available to people externally, we have to reduce the rate of interest so that those people can repay the loan we make, should not exactly the same principle apply to Canadians in this country? I would say it should apply to civilians, but certainly it should apply to the soldiers who fought the war. Yet what do we find at the present time? In respect of the Veterans Land Act we charge the soldiers three and a half per cent interest. Many applications by soldiers who wish to take advantage of the Veterans Land Act are being turned down on the ground that these veterans will not be able to pay off their loans at the rate of three and a half per cent interest. But if we can say to the British people, "You cannot meet your obligation at three or four per cent and so we will make an agreement with you whereby you can meet it", why can we not do the same thing with our soldiers? If they cannot repay their loan in ten or twenty years at a rate of three and a half per cent, why do we not change the agreement and finance it in such a way that the soldiers will be able to repay their loans? Instead of saying, "You cannot go under the Veterans Land Act because you will be unable to meet the financial conditions," let us adjust the conditions so as to enable the soldiers to meet them. Instead of imposing the present conditions, let us meet the soldiers and discuss the matter with them in order to find out at what rate of interest it would be possible for these boys to buy land and pay off their loans. We might give them the same kind of agreement that we are making with Britain. We might say to them, "We will not charge you any interest until 1951, so that you may have a chance to get on your feet, and from then on we will charge you two and a half per cent and later perhaps three per cent."

There is an old saying that charity begins at home. I cannot see why we are more willing to give a decent agreement to people outside Canada than to our own people.

Mr. ILSLEY: Let me answer that at once. If the rate of interest charged on loans to Canadian citizens, whether they be returned soldiers or others, were made at a loss to the Canadian treasury, it would be an additional subsidy or veterans benefit as the case might be. The taxpayers would be assuming just that much greater burden for the benefit of that class of the community who might receive their money at less than market rates of interest.

Mr. QUELCH: Or an expansion of the internal debt.

Mr. ILSLEY: Yes. But you cannot have an indefinite expansion of internal debt.

Mr. QUELCH: Then I would ask this question—

Mr. ILSLEY: Let me finish, please. I have to connect the two thoughts together. In the case of the loan to Great Britain, the extent to which the taxpayer contributes there is a contribution to the people of the dominion of Canada to give them markets, and if you did the same thing over again domestically you would be giving the people of Canada a double benefit. It just depends on how high you want to have your taxes go, or how high you want the internal debt to go. The hon. gentleman perhaps holds the theory that this loan to Great Britain is not designed primarily for the benefit of the Canadian people.

Mr. QUELCH: Hear, hear.

Mr. ILSLEY: Well, I have dealt with that position. I believe the hon. gentleman took that position, and so did one other member of his group, the member for Macleod (Mr. Hansell). But that position was not shared by the member for Lethbridge (Mr. Blackmore) or by myself, and I do not think it is shared by the membership of the house as a whole. The object of this loan is to get Great Britain into the position where she can be a dependable, a steady and an expanding market for Canadian goods, and in that way confer benefits upon the constituents of the hon. gentleman, whether they be civilians or veterans. And that is certainly no argument for extending our gratuity policy or our rees-tablishment credit policy. There may be other reasons for extending it, but that is not a reason for doing so. It would be conferring a double benefit instead of a single benefit upon the constituents of the hon. gentleman and the citizens of Canada as a whole.

Before I sit down I wish to deal with one minor point raised by the hon. gentleman, though perhaps I should not take the time of the committee in discussing it. He deplored the fact that our securities are sold abroad, on the ground that that increases the external indebtedness of Canada or of the people of Canada. That is so. It increases the liability of Canadians to other countries. But as against that liability there is a corresponding asset, that asset being the currency of the foreign country, the American currency which we hold; and to the extent that our securities are sold in volume our reserves of American currency are built up. But the loss in the transaction is not an absolute loss; that is a loss to the extent of the additional liabilities incurred by Canadians. The loss is merely of interest, as I explained to the member for Calgary West yesterday. Dividends and interest on securities that are sold abroad are all a charge upon the productive capacity of the Dominion of Canada, while the currency we get for these cannot be employed in such a way as to earn the equivalent amount of interest. That is the loss, and the only loss, as far as loans are concerned.

Mr. SMITH (Calgary West): But industry operates and pays wages here.

Mr. ILSLEY: Yes.

Mr. HACKETT: It is a charge on production.

Mr. ILSLEY: The interest we pay abroad?

Mr. HACKETT: Yes.

Mr. ILSLEY: Yes.

Mr. HACKETT: We never would have got started if it had not been for external sources of money at that time.

Mr. ILSLEY: Undoubtedly that is true of the past, whatever may be the situation in the future. I wish to deal briefly with two points while I have the floor. The origin of our mutual aid policy is not as stated by the hon. member for Temiscouata. It did not have its origin in any conversations between Colonel Ralston and Mr. Purvis. It was a policy worked out by the government of Canada for which I was primarily responsible and in which responsibility my colleagues shared. The other point made by my hon. friend was that my statement regarding the United Kingdom being our best customer is incorrect. It is borne out by the figures of normal years. My hon. friend took war years, which reflect an abnormal situation. But if one goes back to the years before the war one will find that the exports to the United Kingdom nearly every year were higher than

the exports to the United States. For instance in 1939 the figures were slightly in favour of the United States, $336 millions as against $331 millions to the United Kingdom. In 1938 the exports to the United Kingdom were higher, $334 millions as against $261 millions to the United States. In 1937 they were $384 millions to the United Kingdom as against $381 millions to the United States. In 1936 they were $356 millions to the United Kingdom as against $348 millions to the United States. In 1933—I am not skipping anything here; these are the only ones given—they were $211 millions to the United Kingdom as against $168 millions to the United States.

There are years when our exports to the United States are greater than our exports to the United Kingdom; but there are many more years when our exports to the United Kingdom are greater than to the United States. Our exports of agricultural surpluses and other surpluses of natural products are greater to the United Kingdom by a very large margin than are our exports to the United States.

Mr. CASE: What about the trade balances?

Mr. ILSLEY: The balance, of course, is different in the two cases. There is a surplus of exports to Great Britain over imports from Great Britain, and a surplus of imports from the United States over exports to the United States.

Mr. CASE: More frequently we have a favourable balance of trade with the United Kingdom than with the United States.

Mr. ILSLEY: Yes.

Mr. QUELCH: The minister said that when we sell securities to the United States we obtain United States currency in exchange. That is true. If that United States exchange were used for the purpose of liquidating debt to the United States I would have no objection. I do not think the minister can argue that that is true. If it is, it does not really alter the situation except to the extent that the rate of interest we pay on the securities we sell may be higher than the rate of interest we pay to the United States at present. If the rate of interest is less, then there is a slight advantage. If the rate of interest is higher, then we are losing. I think it would be true to say that the rate of interest would be higher on Canadian Pacific sales than we are paying at the present time.

Mr. ILSLEY: We do not gain currently, but the only point I was trying to make was that from the way the hon. gentleman was presenting it I thought he really did have a doubt in his own mind about it—there was one in my mind for a time. That is why I suspected there was one in his. It is thought that you are simply incurring that much additional liability when you sell securities abroad without having anything to show for it, but you have a corresponding asset for every dollar's worth.

Mr. QUELCH: I did not think that for one minute. Before the war we used to hear certain suggestions, and we are going to hear them again. We have heard it from some people to our right. They say that we shall have to bring about favourable conditions in this country to encourage foreign capital. Hon. members have heard that statement time and time again. They have seen it in the *Financial Post*; they have seen it in practically every financial paper in this country. We do not need a dollar of foreign capital. I quite agree that in the early days we did need it. At that time we did not have the capital to develop our own resources. We had to sell securities abroad to get capital to develop the country, but we do not need it any more. We are fully able to finance the optimum development of the resources of Canada without any foreign capital. If anybody has any doubt about it, all he has to do is to look at what we did during the war. We had a $5 billion war effort without borrowing a dollar abroad.

Mr. ILSLEY: There may be an advantage in getting money abroad. If venture capital is not available in your own country and you can get somebody outside of the country to take the risk which you cannot get the people in the country to take, it should be an advantage.

Mr. QUELCH: The minister means to say we should go after some suckers.

Mr. ILSLEY: No, I do not mean that at all. Everybody who ventures his capital is not a sucker. Not everybody who takes a big risk is a sucker, by any means. Venture capital is valuable stuff for a country and sometimes it is pretty hard to find. If you can find people outside who will bring it forth, you are doing quite a lot for the country.

Mr. QUELCH: I recall discussing a bill last year regarding the sale of gold mining stock to the United States. Apparently there was a lot of wildcatting going on. In fact some promoters in this country were looking for suckers in the United States to buy shares in gold mines which were apparently just holes in the ground. If we have any venture capital coming into this country from abroad we shall pay a good price for it. Any time venture capital comes in from abroad it is in the expectancy of making a high profit.

I want to turn to the other argument, namely, that it pays us to make this loan to Britain in order to keep her in good standing so that she will be able to buy our exports in the future. I will admit that indirectly it is to the advantage of Canada to keep Great Britain in a position to help play her part among the great nations of the world. Let me point out that exactly the same argument applies to our own people. If it is to our advantage to make these goods available to England so that she can make a worth-while contribution in the future and take our goods, surely it must be of just as great an advantage to bring about the proper reestablishment of our own soldiers, so that they can become worth-while citizens and contribute to the welfare of this country. Therefore the same argument applies to our own people as to Great Britain in that regard.

Mr. ILSLEY: The difficulty is that we have a great surplus for export. You could never hope to get that market for these exports among your own people.

Mr. QUELCH: While we may have a surplus of certain commodities, we have a great scarcity of others in the country.

Mr. CASE: No.

Mr. QUELCH: We have scarcity of a great many things. We are even being asked to eat less bread, to cut down by two slices on every loaf to leave enough to go round. People are being asked to conserve in many lines. There would be a strong demand in this country for goods if they were available. I am sure that every hon. member in this house is finding it difficult to buy certain commodities at the moment.

Mr. ILSLEY: That is true of some commodities because the export demands are great at the present time; but in normal times it is not within any foreseeable future that we shall have a population that will consume all the wheat we produce here, or nickel, or bacon, or newsprint, or copper, or asbestos that we produce here. There is a long list of commodities produced which would have to be cruelly curtailed if we were to rely upon the home market in Canada. It would mean a dislocation of our whole economy and a lower standard of living, because we would be trying to turn our people into different kinds of producers under more expensive and uneconomic conditions and circumstances. Therefore it is of vital and primary interest to pursue a policy that will not make it necessary for the greatest importing nation in the world, a great importer from Canada, to pursue a restrictive policy and a policy of economic nationalism and self-sufficiency to the complete confusion and dislocation of our whole economy. That is the reason that it is of vital importance here.

Mr. QUELCH: I agree with the minister that an export market is very important, and the minister could very easily reassure me and other hon. members if he would guarantee that in the future, whilst we now have a great interest in the export market, we are nevertheless going to look upon it as our major obligation to see that the home market is developed to its full extent. Will the minister guarantee that in the future all the people of Canada will be able to buy all the commodities that we produce, export the surpluses and bring back other goods in exchange? If the minister could do that we would be satisfied. The minister knows very well that that has not been the policy of Canada in the past.

During the depression years, from 1935 to 1939, we had on the average a favourable balance of trade of $219 millions a year, in spite of the fact that one million people were on relief, in spite of the fact that there would have been a strong demand for the imports that could have been brought back to this country in return for the $219 millions of foreign exchange. The minister may say that we had a foreign debt, but at the same time we were only maintaining production at about fifty per cent of our capacity. We could have expanded that production to the full extent, met our foreign obligations and increased the standard of living of our people by several hundred million dollars. Now if the minister is going to guarantee that in future that will not be the policy of this country, that in future we are going to maintain and develop the resources of this country and see that the people get the amount of consumer goods they desire before any are shipped abroad to build up foreign investments—if the minister will give that assurance to the committee we shall be much easier in our minds.

Mr. ILSLEY: The whole purpose of the policy is to maintain as high a standard of living for the people as possible.

Mr. MacINNIS: I think most of this discussion, Mr. Chairman, is purely academic. I do not believe the minister is in a position to give an undertaking that in future the resources of this country will be developed and used to the greatest possible extent for the benefit of the Canadian people; but I believe the people of this country as a whole are in a position to put a government in power that will do that very thing.

My view of the loan is that it helps a world expansionist programme, and for that reason I believe it should be supported. We

are still in an international crisis. If we were to adopt an isolationist policy and try to make ourselves self-sufficient within this country, in a way I believe we could assure ourselves a basic standard of living; but I do not think that for a long time we could assure ourselves of as high a standard of living as we can if we are prepared now to accept a lower standard in order to build up the economy of other countries which are in a less fortunate position. As I said in my few remarks the other evening, from my point of view the whole purpose of this loan is to help Great Britain, which is in such a strategic position at the present time if only she is strong enough to assert that position, to build up her economy; and I am satisfied that in future it will help us in this country also to attain a higher standard of living. I see no reason in the world why we should prolong this debate unles some of us are to take the position that we intend to oppose this loan to the very limit. Well, the quickest way to do that is to let the bill come to a division. Those who are against it can oppose it; those who are in favour of it can support it, and then let it go on its merits. We are not serving any useful purpose by all this debate, and in saying this I am not reflecting at all upon the ability of the hon. member for Temiscouata to deal very capably with these matters. But I say we are not serving any useful purpose by continuing this discussion beyond the stage it has now reached.

Mr. POULIOT: My purpose is not at all to delay the adoption of the measure but to inform the house and even inform the minister. The Minister of Finance has said the United Kingdom is our best customer. I hold in my hand a booklet written by Sir Norman Angell and distributed by the United Kingdom information service some years ago. The question is asked, "From whom does the empire buy?" In reply it is stated that in 1938 or 1938-39 Canada bought 17·5 per cent from the United Kingdom and 82·5 per cent from the rest of the world. The next question asked is, "To whom does the empire sell?" The answer is that in 1938 or 1938-39 Canada sold 39·1 per cent to the United Kingdom and 60·9 per cent to the rest of the world.

An hon. MEMBER: To different countries.

Mr. POULIOT: Surely, to different countries; but now the United Kingdom is described as the only market for Canada.

Some hon. MEMBERS: Oh, no.

Mr. POULIOT: Oh, yes; by the minister; and I will tell the hon. member for Acadia why I say that. The hon. gentleman spoke only of our trade with the United Kingdom, and the minister spoke of economic nationalism. I know the idea in the mind of the hon. member for Acadia.

Mr. QUELCH: If the hon. gentleman does not mind my interrupting, the only reason I referred to Great Britain is that this loan is to Great Britain. If the loan had been to some other country I would have mentioned that country.

Mr. POULIOT: Exactly. I would do the same. I am not complaining about the hon. member for Acadia; at present I am in agreement with him, but the hon. member referred to our trade with the United Kingdom and the minister shouted "economic nationalism," just as though there were only one road for our goods to travel, that is, the Atlantic ocean east to London. I do not blame the hon. gentleman. I blame the minister, and I blame him for the confusion he displayed in presenting the measure. It took me thirteen or fifteen hours to try to undertsand something in his speech of April 11. Everything was mixed up. Was it deliberate or not? I don't know. I do not like to speak like that, but I was offended when the minister spoke of economic nationalism. We believe Canada is a great country; and it is not a great country only in the mouth of the Prime Minister or the Minister of Finance. It is a great country in fact. The answers the minister gave me the other day were answers to play with. It was not serious. For instance, I asked about the loan to the Netherlands East Indies, amounting to $15,000,000, which was later promised to be increased to $50,000,000. Was it promised to Malcolm MacDonald in order to give him an opportunity to be appointed governor general of that part of the world? We are lending $50,000,000 to a country with which we will have no trade whatever. Last year I denounced Malcolm MacDonald at the same time that I denounced Lord Halifax and I give Mr. Attlee credit for having removed both of them from America.

Mr. ILSLEY: He is not governor general of the Netherlands East Indies.

Mr. POULIOT: He is governor general of Malaya or somewhere out there, and the Sarawak white district is under his jurisdiction now. He is to be far away, and I am glad of it; it is a good thing for Canada that he is far away. By the way, with whom did the minister negotiate? He said he negotiated the loan to the Netherlands East Indies with a representative of the government of that part of the world. He was fortunate, because when the discussion took place there was no government there. With whom was he negotiating?

There was no government; there was civil war in that country. Did he negotiate with one side or the other? Who was it, and for whom was he acting?

Mr. ILSLEY: The man who came here was Doctor Crena de Iongh, representing the government of the Netherlands East Indies and also the bank of the Netherlands East Indies.

Mr. POULIOT: He represented the bank, so now we are in international finance. Then to whom was the promise made of $50,000,000 in addition?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Shall the section carry?

Mr. POULIOT: No.

Mr. ILSLEY: It was made to the government and the bank of the Netherlands East Indies.

Mr. POULIOT: What is the guarantee for Canada for that loan and that promise?

Mr. ILSLEY: What does the hon. gentleman mean by a guarantee?

Mr. POULIOT: What can we expect in return for that loan and that promise?

Mr. ILSLEY: There is an undertaking to repay, just as there is from the other countries to which we have lent money; and there is every expectation that it will be repaid. There is an established government in the Netherlands East Indies at the present time, with great assets and resources, too.

Mr. POULIOT: Oh, yes, great resources, which have never been enjoyed by Canada. We had no trade whatever with the Netherlands East Indies. They produce rubber, and now that we are manufacturing synthetic rubber in such quantities in Canada we do not need anything from them.

The ACTING CHAIRMAN (Mr. Golding): Shall the section carry?

Mr. POULIOT: No, I have something to say about that. I do not want to oppose the measure, but I want to be an eye-opener to my colleagues whom I respect, and to the minister himself. I have never been bulldozed by anybody in connection with what I have to say, because I am sincere. And I believe I am right, until it is proven that I am wrong. I do not agree simply because Mr. So-and-So says something. I will agree when something is sensible, fair, and in accordance with the facts.

There was a civil war in the Netherlands East Indies, but the minister says he did not lend money to those people to buy ammunition and arms. But what he did gave more opportunity to the people to fight each other, although the minister says he did not buy their equipment.

There are some further points I would bring to the attention of the committee. Yesterday the minister said:

> During the next few years the United Kingdom is not going to be able to get enough foreign exchange from her exports to other countries, her earnings from shipping, insurance and financial services rendered to other countries, the earnings on her outstanding foreign investments, tourist expenditures in the United Kingdom, etc., to enable her, without borrowing, to pay for the goods and services which she will require from other countries, the interest on her foreign indebtedness and other current account liabilities to other countries.

Well, she is no worse off than we are, because, as the minister said at page 3238 of *Hansard* for 1945, we are not a creditor country. But now we are trying to pump up a flat tire, which is the pound sterling. It is just a flat tire, with a puncture in it, and we are going to pump it up. That is what is being done now.

We are not a creditor nation; we do not have some of the things Great Britain still has. But we finance her, just the same. Then, the minister continued with these words:

> We expect that over the next two or three years Canada will have surpluses of substantial size in her current account balance of payments.

The current accounts of Canada are different from the international accounts of Great Britain. It is not the same thing at all. What the minister is now trying to finance are the international accounts, the external trade, the world trade in the sterling area. I wonder if we are in the sterling area.

Mr. ILSLEY: No, we are not.

Mr. POULIOT: We are not in the sterling area. But we are financing it, and we maintained it during the war. Our standard of living depends upon our trade, not only with the United Kingdom, but with all nations of the world.

Speaking about financing the United Kingdom last year, the minister said that they would go to countries other than the United States and Canada. I wonder if this will be the last loan by Canada to Great Britain. Will it be? Can the minister say that this will be the last loan?

Mr. ILSLEY: It is not expected that there will be any more.

Mr. POULIOT: The minister's answer is prudent, when he says, "It is not expected". But, as a matter of emergency, we shall have it; we may have another big one next year. And those members who say "Carried, carried" will be the first to swallow it.

Then the minister said, with reference to the British preference:

The removal of trade restrictions to which the national advisory committee's report referred, did not relate to tariffs.

Then at page 767, when summarizing the Bretton Woods agreement, he referred to tariff reductions. That is included with reductions in quotas, and so on. If every hon. member will read what appears at page 1226 of *Hansard* he will have an idea of the magnitude of what has been done by Canada for the United Kingdom. The minister said:

We could not expect repayment of both the book debt and the new loan within a reasonable period—

When he was referring to the cancellation of the debt of $425 million.

Then he added:

Attempting to make the United Kingdom pay off the $425 million debt on top of the $1,250 million loan, we were convinced, would have placed an altogether too heavy burden on Britain's balance of payments.

It was not the debt that was on top of the loan; it was the loan that was on top of the debt, and there was no reason for it.

Then he referred to interest-free loans. The interest-free loan of $700 million, which has been reduced by the sale of securities, was an absurd thing, because Canada was lending the money. We had to pay the interest on it while, on the other hand, those who have the British loan securities were getting the interest and cutting the coupons. All that time Canada was receiving nothing. It is one of the worst transactions one could possibly think of.

Mr. ILSLEY: All the Canadian dollars Great Britain received she turned right back to Canada, all through the war, including the interest she received on her securities. This balance was made up by mutual aid. And had the interest-free loan borne interest it would have meant just that much more mutual aid.

Mr. POULIOT: Yes, always "more". Then, the minister gives some information about simple claims, and some claims difficult to determine. There is something about a transaction with the government of India, and reference to the fact that that government owed $48 million to Canada. Instead of giving them that amount, it was assumed by the United Kingdom, and formed part of the settlement. Our credit was transferred, and became a credit of the United Kingdom. As the minister was in such a generous mood, surely he could have done for India at least part of what he did for the Netherlands East Indies, because India is part of the empire, and there is no reason why there should be discrimination against her.

Mr. ILSLEY: We gave nothing to the Netherlands East Indies.

Mr. POULIOT: No, but we lent a lot.

Mr. ILSLEY: Yes, we lent.

Mr. POULIOT: I have not spoken about France. I shall wait until we discuss export credits before I mention the loan to Mr. Leon Blum—or "Bloom", if you wish. The country, to my mind, is immaterial. I do not consider the United Kingdom, France, or any other country, except Canada. I know that within a short time this sort of legislation will cause a break in the British empire. Canadians will become so indignant at the taxes they have to pay that they will blame the financial policies of the government. This will break our ties to a greater extent than the Boston tea party destroyed the ties between the United States and Great Britain.

Reference has been made to communism. Some people are afraid of communism and they contend that this loan offers a means of defence of our religions against communism. Poverty is the mother of communism. Our people are suffering under heavy burdens of taxation. When they think of the expenditures that have been made they are unhappy and miserable. When that sort of thing continues the people turn to different leaders. As far as I am concerned, there is no piece of propaganda that is so strong for communism as this particular legislation. In his remarks on April 11, as reported on page 763 of *Hansard,* the minister said:

This agreement is the keystone in the financial measures and arrangements made by this country for international trade and reconstruction.

The minister was mistaken. It will prove a stumbling block in the path of future international trade. Let me explain that to the committee. We have been building up a sterling area which has proved a challenge to all trading nations which do not belong to it. The Bretton Woods conference was held in an effort to improve trading conditions throughout the world without any exception. Here is what the minister said about the Bretton Woods conference, as reported on page 767 of *Hansard*:

There are, broadly speaking, two alternative types of policy open to Britain at the present time. The first and much the more desirable policy from our point of view—

That is the government's.

—is the type reflected in the Bretton Woods agreements and the proposals for expansion of world trade and employment put forward by the United States government. This type of trade and exchange policy involves a minimum of restrictions on trade, tariff reductions,—

Those are the two words I mentioned a moment ago.

—the elimination of discriminatory import quotas and exchange practices, and the freedom of each country to use any currency that it has obtained through trade with another country in carrying on trade with any third country.

I hope hon. members will read this sentence when they are reading the minister's speech.

This type of policy would make possible not only a high level of trade but freedom in the direction of trade.

That is Bretton Woods, according to the minister.

The alternative type of policy, on the other hand, which is open to the United Kingdom is one of bilaterial arrangements —

It could be multilateral.

—in which Britain would purchase goods on condition that the selling country would take British goods in exchange, one involving discrimination in both importing and exporting and substantial restrictions on the use of currency received by exporting countries. Under this type of policy if Britain were forced to follow it, she would endeavour to make the most of the bargaining power which her huge import markets give her in order to improve the terms on which she trades and to force her exports into the markets of other countries.

Then going to page 1227 of *Hansard* we find that yesterday the minister said this:

I was thinking particularly, as I indicated, of the countries of the sterling area and of western Europe, and I was trying to show that unless Britain were assisted and encouraged to follow a liberal trade and currency policy she would be forced into restrictionist and discriminatory policies which would have an extremely bad effect on Canada, both directly and indirectly—the latter because of the effect which Britain's course of action would have on many other countries which constitute good markets for Canadian goods.

As yet the Bretton Woods agreement is not in effect. This loan is in addition to that agreement. It is being put through before we know the results of Bretton Woods. The United Kingdom is simply building a trade dugout or shelter into which she can retire if Bretton Woods does not work. It is simply a stumbling block being placed in front of our future international and trade relations.

Probably what I have said is premature. Hon. members may not be disposed to believe in it although they have been good enough to listen to me. I felt it was my duty to inform them. I have no peculiar interest in the matter. I spent many days during the Easter holidays working on this matter in order that I might be able to inform my colleagues. Whether it has been worth it, I do not know. But as long as I have done it my conscience is clear. I have warned hon. members and I shall not be responsible for anything that may happen. Had I not said what I said I would have felt guilty; my conscience would not have been clear and I would have been ashamed to look my colleagues in the eye.

I have another explanation to offer. Yesterday a brilliant journalist asked me why I had not risen to force a vote the other night when some other hon. members rose in their places. My answer is obvious. No hon. member of parliament has tried to praise the new generation of members of parliament more than I have. I am proud to be their colleague and I have great admiration for them. I know that Ottawa is the most tedious place in the world. I know that unless a man works hard it is impossible for him to stay here very long. I said to myself that it was not fair to force a vote at a time when some hon. members had not been notified about the matter; I felt that they should be given time to consider it. On April 16 when the clauses were going through so fast, I rose when we reached the fourth clause for two purposes: first, to give the minister an opportunity to answer my questions and, second, to give my colleagues a chance to think over the matter.

I worked hard yesterday and I placed some information on *Hansard*, some of which I received from the minister. Some of that is good; some of it is bad and some of it does not mean anything, but it is there and it is up to hon. members to express themselves upon it. I have informed everybody to the best of my ability. I admit that the information I have given is far from complete, but it is supplementary to that which has been given by the Minister of Finance, and it may be clearer. I thank my colleagues and the minister for their patience in listening to me.

Section agreed to.

On section 5—U.K. indebtedness under commonwealth air training plan extinguished.

Mr. DORION: Does the effect of this section constitute a loan or a gift?

Mr. ILSLEY: It is the cancellation of the amount of an expenditure which has already been made years ago, and for which the United Kingdom owes us a book debt.

Mr. DORION: I should like to ask why the amount is not mentioned in the section?

Mr. ILSLEY: Because it is mentioned in the agreement and the agreement is mentioned in the section.

Section agreed to.

Sections 6 to 8 inclusive agreed to.

Schedule agreed to.

The CHAIRMAN: Shall I report the bill?

Mr. DORION: On division.

Mr. BRACKEN: Can the minister give us any information on the present state of the United States loan to Britain? Has he any information beyond what has appeared in the press?

Mr. ILSLEY: No, I do not know how it is getting along or what the prospects are, but I am hopeful.

Mr. BRACKEN: The opinion seems to be that the legislation will pass congress and the loan be made. But in the event that it should not pass and the loan not be made, can the minister tell us briefly what the effect would be with respect to our loan?

Mr. ILSLEY: By section 8 our act will not come into force until there is a proclamation, and that may apply to any portion of the act. The result of the defeat of the loan in the United States would in all probability be that we would not proclaim certain sections of this act. Probably it would be well for me to read again the letter that I wrote to the chancellor of the exchequer covering the situation that might arise. It is as follows:

Ottawa, 6th March, 1946.

Dear Chancellor of the Exchequer,

On the occasion of the signature of the financial agreement between the government of the United Kingdom and the government of Canada, I should like to place on record our understanding regarding the entry into force and implementation of this agreement in relation to the action by the United States congress on the financial agreement between the government of the United Kingdom and the government of the United States, signed at Washington on December, 1945.

The agreement between the United Kingdom and Canada has been drawn up in the expectation that the Anglo-American agreement will be approved by congress and will enter into force some time during the current year. If, however, congress does not approve the Anglo-American agreement, our understanding is that, in the terms of article 8 of our agreement, a major change would have occurred in the international financial situation, which would materially alter prospective benefits and obligations flowing from our agreement, and that consequently it would be necessary forthwith to consider what changes in the provisions of our agreement the two governments should agree to make, subject to such legislative approval as may be necessary. In these circumstances, it is also our understanding that articles 5, 6 and 7 of our agreement will not be implemented until it is known whether the United States congress has approved the Anglo-American agreement. I agree, however, that these articles are to be implemented immediately congress approves that agreement.

I should appreciate it if you would confirm that the above understanding is in accordance with that of your government.

Yours very truly,

J. L. Ilsley.

[Mr. Ilsley.]

Article 5 is the article relating to exchange and import arrangements; article 6 is our agreement to extend the 1942 loan for another five years interest-free; and article 7 is our cancellation of the commonwealth air training plan. These are not going to be brought into force until we know what happens to the loan in the United States.

Mr. BRACKEN: Will this Canadian loan be made regardless of whether or not the United States loan is made?

Mr. ILSLEY: It is not certain. It is open to us to draw back on that under article 8. Naturally, purchases are being financed at the present time and some money will be advanced after this legislation goes through, even before we know whether the United States loan will go through or not. But it would be open to us to draw back if the loan in the United States did not go through because the defeat of the loan in the United States would be a major change in the international financial situation which would materially alter prospective benefits and obligations flowing from our agreement. Consequently it would be necessary to consider forthwith what changes in the provisions of our agreement the two governments should agree to make subject to such legislative approval as may be necessary. Legally I do not know just what the position would be should the United Kingdom not agree to make these changes, but I know that the relations between the two governments are such that the legal feature would be immaterial. The United Kingdom government understand, and so state in their confirmation of our understanding in this letter, that we have done all this on the expectation that the loan would go through in the United States. If it does not, there is a major change. The main benefits we can expect to get from this loan are dependent upon the loan going through in the United States, thus putting the United Kingdom in a position to be an expanding and reliable market, something that is of great advantage to the United States as it is to us.

Mr. BRACKEN: The minister has explained what the law permits the government to do in the event that the United States loan is not made. My question was simply this, and I do not think the minister is trying to evade it: If the United States loan to Britain is not made, will our loan still be made?

Mr. ILSLEY: We would immediately have to get in touch with the United Kingdom and consider the situation. I cannot say whether the full amount of the loan in that event would be made or not. Quite a lot of money would already have been advanced

by that time anyway, and whether we would saw it off then or go the full way is something that would have to be taken up at that time. I cannot commit the government on that.

Mr. BRACKEN: The position, then, is this. Once this measure passes these two houses, the government will be enabled to make a loan of $1,250,000,000.

Mr. ILSLEY: And will be bound to make it if the United States loan goes through.

Mr. BRACKEN: In the event of the failure of the other loan, you will not be bound to make any part of our loan save what has been already advanced.

Mr. ILSLEY: I do not know exactly what the legal position is as between us and the United Kingdom because the undertaking is one that must be carefully considered when the situation arises. But, whatever the legal position is, I would say that is substantially the situation, that we would then be free—perhaps not legally as between ourselves and the United Kingdom but we would be free within the spirit of the understanding—to say, "No; a smaller loan is all that we should enter into under the new circumstances".

Mr. BRACKEN: From what the minister says, I gather that the government does not now know what its own attitude would be in that event?

Mr. ILSLEY: No. Something would depend on the time. There are things one cannot foresee.

Mr. BRACKEN: I am only trying to understand what the position is. I am not trying to embarrass the minister. I should like to know what powers are given the government and what the government intends to do with those powers when it has them. My understanding is that if the United States loan is made, this loan will be made in full?

Mr. ILSLEY: That is right.

Mr. BRACKEN: And these other concessions will also be made?

Mr. ILSLEY: That is right.

Mr. BRACKEN: If the United States loan fails, then you look at the whole situation again?

Mr. ILSLEY: Yes.

Mr. BRACKEN: And it is just possible that no further advances might be made—

Mr. ILSLEY: That is possible.

Mr. BRACKEN: —but likely that some adjustment, some loans within the maximum now provided. would be made available?

Mr. ILSLEY: Well, with regard to the last few words, we shall have to consider carefully what we should do. Here is this flow of exports going out of the country and the government has to act with great responsibility about shutting that off.

Mr. BRACKEN: I am trying to learn what you will do; that is all. You are a little hesitant about being definite.

Mr. ILSLEY: So I should be.

Mr. COLDWELL: Is it not a fact that a major change in the international situation might involve something larger than the refusal of congress to approve the United States loan? If that loan to the United Kingdom from the United States does not materialize, is it not quite possible that Great Britain might withdraw from the Bretton Woods agreement?

Mr. ILSLEY: Oh, yes.

Mr. COLDWELL: In that event a major change occurs in world trade and commercial arrangements, which would necessitate a reconsideration of the whole of our business with the United Kingdom.

Mr. ILSLEY: That is right.

Mr. COLDWELL: I should think that would be the thing, because that certainly would necessitate a review of everything we are talking about to-day. If the United States congress refuses to approve the loan and the Bretton Woods agreement falls down, as far as Britain is concerned, it puts the whole world into a chaotic situation.

Mr. ILSLEY: Yes.

Mr. BRACKEN: That is understandable, and all I want to know is what the government's policy is with respect to the loan to Great Britain in the event of the United States loan failing. I think I understand the situation, although the minister himself is not very specific.

Mr. ILSLEY: I cannot be.

Mr. BRACKEN: He will look at the whole picture again and determine what policy is best in the interests of Canada, of trade, and so on.

Mr. ILSLEY: That is correct.

Mr. BLACKMORE: Why should the failure of Britain to accept the Bretton Woods agreement influence us in the advancing of this loan? Britain will need the loan in case she

withdraws from Bretton Woods just as much as if she does not. Why should her refusal to accept the Bretton Woods agreement, if it is contingent upon the United States ratifying their loan, have an influence on us and necessitate our reconsidering this loan? That needs to be cleared up.

Mr. ILSLEY: The hon. gentleman puts too much stress upon the withdrawal from the Bretton Woods agreement as a factor in the transaction. There will be more serious consequences than those arising from a withdrawal from the Bretton Woods agreement. The United Kingdom would in all probability not be able to reestablish herself as a multilateral trading nation if the United States loan did not go through. This is not simply a question of lending some money to a customer who will turn round and spend that money on your goods. The United States loan and this loan will make it possible for the United Kingdom to get into the way of trading, and this loan by itself cannot accomplish that end. The United States loan is necessary also.

Mr. BLACKMORE: This loan would help.

Mr. ILSLEY: It cannot do the job; it is inadequate. It will take the two of them; and if the other part, the larger part, falls out, then Canada has to consider just what it is in her interests to do. You have then a nation driven into a corner, so to speak, so that it may have to adopt the most restrictive practices; and whether this country would be justified under those circumstances in continuing to advance money to it, having in mind its obligations to its own people, is a question that will have to be considered very carefully at the time.

Mr. BLACKMORE: Britain would be just as likely to be able to repay us this loan if she did not accept Bretton Woods as if she did, would she not? In other words, Britain is just as likely to be able to produce the goods that Canada needs if Britain does not accept Bretton Woods, or if Britain withdraws from Bretton Woods, as she would be if she continued under Bretton Woods. Canada is looking at the ability of Great Britain to repay the loan and if Canada's willingness to advance the loan is contingent upon Great Britain's ability to repay the loan, then it requires some explanation to make it clear to the people why we should not go on with the loan, whether the United States ratifies its loan or does not.

Mr. ILSLEY: Ability to repay is not the only consideration. It is the ability of Great Britain to buy in volume, and steadily, in Canada and pay for what she buys in a currency that is convertible. That is the important thing, and a course of action wihch will probably lead other nations to follow is something that must be considered. I shall not go over all the arguments here. If Great Britain takes a certain course the probability is that the nations of western Europe will follow Great Britain or do the same as Great Britain, and then you have a very serious situation confronting Canada.

Mr. QUELCH: The minister, earlier in the discussion, emphasized that in all probability we would not altogether accept goods from Britain in payment of our credits, that we would exchange some of our credits for United States dollars, owing to the fact that, under Bretton Woods, sterling would be convertible into United States dollars. If Bretton Woods fails, sterling will not be convertible. In that event we would not be able to convert our credits into United States dollars and we would have to be willing to accept payment in British goods, which in my opinion would be a good thing in the long run.

Mr. ILSLEY: I do not wish to get into an argument on that, but that would upset your plans with somebody else. If you equalize your imports and exports as between Canada and the United Kingdom, are you going to do the same with the United States?

Mr. QUELCH: Why should not the United States be willing to buy a sufficient quantity of goods from Canada to balance trade? There is no reason why we could not have a tripartite agreement. We could point out to the United States that we have a surplus credit in England of so many million dollars and we could trade that with the United States.

Mr. MacNICOL: A few moments ago the minister made some reference to what would happen if the United States loan were not carried. I gathered from what he said that it would affect our supplying of goods to Great Britain under our loan. I have in mind a group of businessmen who are supplying $50 million worth of goods of one kind or another to Great Britain. They will have to make contracts with a lot of other business men in Canada to supply the various parts of the order. From what the minister said I would gather that if the United States loan were defeated the order might be cancelled and that under this loan we would be responsible for a portion of what had already been contracted for in getting the order together for shipment to Great Britain on the understanding that the loan would be ratified. Suppose these business men have spent $10 million on the $50 million order. Am I right

in my understanding that if the United States loan is defeated we shall have to cancel the remainder of the order?

Mr. ILSLEY: It is pretty hard to say what would be done in particular situations, or what the effect would be on particular situations. I should not really go farther than reiterate the language which was used in the letter which I wrote to the chancellor of the exchequer, and which he confirmed. I have read it once or twice. I said that this would be a major change; the defeat of the United States loan would be a major change and "it would be necessary forthwith to consider what changes in the provisions of our agreement the two governments should agree to make, subject to such legislative approval as may be necessary". It is difficult to say very much more than that.

Mr. HARRIS (Danforth): I am strongly of opinion that any word which might emanate from anyone whomsoever in Canada who has any responsibility behind him that would in any way interfere with our neighbour's affairs and her relations with the United Kingdom and give them an excuse to point to any persons in Canada who were doubtful of this particular loan would not only have a damaging effect on this very necessary world movement in financial circles but give the isolationists in the United States another opportunity—

Mr. DORION: It is always the same.

Mr. HARRIS (Danforth): A bird by any other name is just as good-looking—to defeat the purposes of this loan. If such a thing happened we must consider where Canada will end up. At the present time we are all right, but this is of such serious moment to us and to the present financial structure that we should do nothing to jeopardize it. The leader of the Cooperative Commonwealth Federation said that it is of importance to the world trade position that we occupy, and that is right. We should not pry into our neighbour's affairs at this critical time, because, while we are doing so, our own will be sadly neglected. Why? The minister knows, as do all other hon. members, that if anything happens to the present financial arrangements, within half a decade we shall see a split between the two blocs of currency, namely, the dollar bloc and the sterling bloc. I say to my fellow Canadians that if that happens and any stumbling block is put in the way of multilateral trade that will emanate from this financial arrangement which is attracting the attention of the whole commercial world, Canada, in spite of her wealth of natural resources, will find herself in the last position so far as her economy is concerned. Why is that so? It is very simple. We all know the spirit of the British people. They will go hungry, and more hungry; they will tighten their belts and get along within the confines of their own financial orbit. They will suffer and suffer more but they will not quit producing. There is more production in Britain per man to-day than in Canada or the United States. As they gradually fill their own shelves which are bereft of most things now and tighten their belts, what will they get? They have 400 million people in Europe waiting for them to increase production. What else have they in the sterling bloc? They have South Africa, New Zealand, Australia and British India. Every time a British pound sterling goes into those areas it buys a pound and quarter's worth of effort in Australia, New Zealand and in the other depreciated currency countries. Where will our trade be while that trade is going on? Britain is recovering. Millions of pounds sterling are lying idle in London and we cannot use them in this country because they are not exchangeable.

Therefore, in the final analyses, if we tamper with this loan, or if anyone helps to defeat this big loan that is now before the congress of the United States we are going to split the world's two currencies; and when we get through spending the extra money which we have in our pockets now, and when the shelves of our country are filled we shall find ourselves, in spite of our God-given resources, the last on the trading list.

I hesitate to take up much of the time of the committee on this subject, and I hesitated to the last minute for fear that any of my words might be used by any of our neighbours to defeat the purpose of the United States loan. May I close with these words: Let nothing emanate from any Canadian of responsibility which will in any way make our fellow Britons go more hungry, or which will in any way destroy what good might come from this financial arrangement which the nations that think as we do feel is necessary at this time.

Mr. BLACKMORE: I have no desire to delay proceedings, but I think perhaps a word or two more might be said by way of encouragement. From things I have heard and read I have gathered the impression that a good number of people are quite pessimistic with respect to this loan in case the United States should fail to ratify the loan it is proposing to make. In addition to what was said by the minister a moment ago, I think it must be said

that if we advance this loan to Great Britain the pounds which we receive from Britain can be converted into the monetary unit of any one of the nations belonging to the sterling bloc. Therefore it seems to me that our chances of receiving repayment for this loan do not depend entirely upon the productive capacity of Great Britain but rather upon the wide and varied productive capacity of all the members of the sterling bloc. Consequently I believe we can afford to go forward pretty confidently, without worrying too greatly whether or not the United States loan is ratified. I do not mean that we do not want the United States to ratify that loan, but I believe there is in this country and in many other members of the British commonwealth too much of a tendency to worry unduly about what the United States does or does not do. The sooner we begin to appreciate that Providence has placed the peoples of the British commonwealth in a preferred position from the point of view of production and trade, the sooner we shall go forward with much greater confidence than we have had manifest for a long time. So that from what has been said up to the present time I see no reason why Canada should not proceed with her loan, whether or not the United States loan is ratified.

The CHAIRMAN: Shall I report the bill.

Mr. POULIOT: On division.

Bill reported.

Mr. ILSLEY moved the third reading of the bill.

(Translation):

Mr. FREDERIC DORION (Charlevoix-Saguenay): Mr. Speaker, I have listened for days to speeches made in this house on the bill under consideration. In spite of the haste with which some of my colleagues would like to see it adopted, it is to my way of thinking, the most important legislation submitted to us since the close of the war.

There is no reason for doubting that the present bill contemplates a gift of nearly half a billion dollars, and, moreover, in spite of all claims to the contrary, this measure will cost the Canadian taxpayer around 66 million dollars annually for the next five years. This matter deserves our close consideration and there is no need to hurry it through. In this connection, I congratulate the hon. member for Temiscouata (Mr. Pouliot) for his splendid work, for the information he has either given us or obtained for us from the right hon. Minister of Finance (Mr. Ilsley).

When I say that we should not hurry this bill through, I have excellent support, for the newspaper *Le Droit* of April 2, 1946, reports as follows an interview granted by the right hon. Minister of Justice (Mr. St. Laurent), to a labour organization, the CTCC:

Mr. St. Laurent regrets that the CTCC is so definitely opposed to the loan to Great Britain, but he adds that, to a certain extent, he understands the position they are taking on the matter, because he himself was convinced, only after having spent three or four weeks in discussing the subject with the British delegation and the North American experts, that this loan was the best policy to insure us against unemployment, trade stagnation and a recurrence of depression in Canada.

It is therefore understandable, Mr. Speaker, when the right hon. Minister of Justice had to spend three or four weeks in consultation with experts to grasp the full scope of this financial agreement, that the house should consider it carefully and take all the time it needs for doing so, in order to be in a position to adopt or reject it, as the case may be.

Mr. Speaker, the most often repeated argument, in the course of this debate, has been that the present agreement is bound to be helpful to both our trade and our industries. It cannot be denied that if we open credits to foreign countries we shall have no trouble in selling the goods we produce. That brings up the picture of a merchant who, to boost his trade, after having stored a large stock, would one day, tell his customers: "I am opening, for each of you, a credit account of $10,000; all I ask you is to make your purchases at my store." In the few days or weeks following that offer, the business of that merchant would be very brisk; you may be sure of that; however, the state of his business would be pitiable at the end of three or four weeks: he would inevitably be faced with bankruptcy. Who, I ask you, would have benefited from the action of that merchant? The go-betweens, the distributors of the goods, those who, in the case now under consideration, we call the financial organization of the country.

There is no doubt that, having accumulated, as the Minister of Finance pointed out the other day, wealth to the amount of ten billion dollars during the war, the high financiers and trusts wish to keep on doing so; that is the reason why they are unanimous in their support of the loan to England. However, when the interest become due, the annual amount of 66 million dollars will have to be paid out of the public funds, that is to say, the taxpayer will have to pay for the gift we propose to make now.

In the opinion of some—it is right here in the statement made by the right hon. the Minister of Justice which I have just read—this loan is an insurance policy. Considering the premium, the cost of such an insurance

policy is prohibitive. Some newspapers and certain hon. members here in the house have used other arguments; those who object to the loan, for instance,—it is the same old story which we have heard so often—are considered as isolationists. Mr. Speaker, the strongest argument in favour of the loan has been put forward by a Quebec newspaperman who reports daily in certain Quebec newspapers; he used two columns of a newspaper to explain an argument based on the following statement: Those who object to the loan are all demagogues. When one can think of no better argument to defend such a measure, it is high time that it be carefully studied, because it cannot be very sound.

This is claimed to be a loan and it is always referred to as such. But the Minister of Finance himself said a moment ago that the bill now before the house calls for a gift to England of half a billion dollars, through cancellation of a debt owed us by that country. When the lender in search of a borrower cannot force his loans on anyone without paying the interest himself, without disbursing his own money, his actions are contrary to all sound economical and financial principles, although I am not very conversant with such matters. I always thought, Mr. Speaker, that lending was supposed to be a profitable business; however, if we have to pay interest ourselves, it cannot be advantageous to us.

It is evident—this has often been stated both in the house and outside—that this agreement is a consequence of the war and of the policies pursued during the last few years. So that if we must as an aftermath of the war, grant a loan which, as I have already said, will cost a lot of the taxpayers' money, whilst during the war some people were allowed to accumulate in excess of ten billion dollars—the Minister of Finance has admitted so himself—would it not be simpler to levy this money from those who have profited from the war? Were this to be the government's policy, I know not a single Canadian who would object to such a course of action in order to help Great Britain. Let the government take the money where it lies, without compelling the soldiers who were overseas for four or five years to pay interest on the capital they fought to preserve. We really took part in that war to safeguard our economic and democratic system, and those who fought the war and are now coming back to Canada will have to contribute their share of interest on those billions. This bill is unfair to them, as well as to all taxpayers. For those reasons, I shall fight it to the last.

(Text):

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, I shall vote against this bill, and I have already given my reasons. My opinion is based upon the same grounds at this moment. The pride of Canada will be deeply affected by this legislation.

Our national debt, exclusive of provincial and municipal, is higher than $20 billion. We must be fair toward the taxpayers of this country—toward the municipalities and the provinces. We must give to each and all provinces their own rights of taxation, based upon the constitution. In my humble opinion this legislation is unfair toward everybody, and that is why I shall vote against it.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

The house divided on the motion (Mr. Ilsley) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Adamson
Argue
Baker
Barrett
Beaudoin
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Black (Cumberland)
Black (Yukon)
Blackmore
Blair
Blanchette
Bonnier
Boucher
Bourget
Bowerman
Bracken
Bradette
Bradshaw
Bridges
Brown
Brunelle
Bryce
Burton
Campbell
Cardiff
Case
Casselman
Castleden
Clark
Cleaver
Cloutier
Cockeram
Coldwell
Coté (Matapedia-Matane)
Coté (Verdun)
Croll
Cruickshank
Daniel
Dechene
Denis
Desmond
Diefenbaker
Dion (Lake St. John-Roberval)
Douglas
Drope
Emmerson
Eudes
Farquhar
Ferguson
Fleming
Fontaine
Fournier (Hull)
Fraser
Fulton
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gillis
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Green
Hackett
Hallé
Hansell
Harkness
Harris (Danforth)
Harris (Grey-Bruce)
Healy
Herridge
Hlynka
Hodgson
Howe
Ilsley
Isnor
Irvine

Jaenicke
Jaques
Jean
Johnston
Jutras
Kirk
Knight
Kuhl
Lafontaine
Lalonde
Leger
Lennard
Little
Lockhart
Low
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McDonald (Parry Sound)
McGarry
McGregor
McIlraith
MacInnis
McIvor
McKay
Mackenzie
MacKinnon
MacLean
McLure
MacNicol
Maloney
Marier
Marquis
Marshall
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Mayhew
Merritt
Michaud
Mitchell
Moore
Mullins
Mutch
Nicholson
Nixon
Parent
Pearkes
Pinard
Probe
Quelch
Raymond (Wright)
Reid
Richard (Gloucester)
Rinfret
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
St. Laurent
Senn
Shaw
Sinclair (Vancouver North)
Sinnott
Skey
Smith (Calgary West)
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Stirling
Stokes
Strum, Mrs.
Townley-Smith
Tremblay
Viau
Webb
Weir
White (Hastings-Peterborough)
Whitman
Winkler
Wright
Wylie—167.

NAYS

Messrs:

Dorion
Gagnon
Hamel
Lacombe
LaCroix
Pouliot—6.

Mr. GIBSON (Comox-Alberni): I was paired with the hon. member for Moose Jaw (Mr. Thatcher). Had I voted I would have voted for the motion.

Mr. MacNAUGHT: I was paired with the hon. member for Elgin (Mr. Coyle). Had I voted I would have voted for the motion.

Bill read the third time and passed.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 30, to amend the act incorporating the National Council of Women of Canada.—Mr. Harris (Grey-Bruce).

[Mr. Speaker.]

Bill No. 59, to incorporate Canadian Acceptance Company.—Mr. Harris (Grey-Bruce).

Bill No. 60, respecting Rupert's Land Trading Company.—Mr. Maybank.

CANADIAN WHEAT BOARD ACT

COMMISSIONS TO AGENTS IN CONNECTION WITH SALE OF WHEAT

The house resumed from Tuesday, April 30, consideration of the motion of Mr. Fair for the second reading of bill No. 5, to amend the Canadian Wheat Board Act, 1935.

Mr. R. N. JUTRAS (Provencher): I shall sum up in five minutes my main contentions of last Tuesday. First of all, I pointed out that my chief concern with regard to the amendment was with reference to the wheat board and not the grain exchange. As I pointed out before, the grain exchange is not mentioned in the bill. This is simply a bill to amend the Canadian Wheat Board Act, and I was sincerely of the opinion that this amendment would weaken the position of the Canadian wheat board to such an extent that it was my duty to oppose it. I said also that according to my reading of this amendment the effect would be to expropriate most if not all of the country elevators throughout western Canada, because, as I interpret the amendment, the Canadian wheat board, which is the instrument of the government and as such should be considered as the government, has to take over all marketing facilities.

In my home town there is an elevator owned and operated by the farmers, and if a wheat transaction were to take place in that town the Canadian wheat board in Winnipeg would have to send a civil servant, an employee, pay him his salary and expenses and provide him with a car to come to that town for the sole purpose of transacting a wheat sale ranging anywhere from, I can imagine, five or six up to a thousand bushels of wheat, whereas at the present time the Canadian wheat board can simply call the elevator man on the telephone and ask him to carry out the transaction for the wheat board, and the whole thing can be done at the cost of a few cents.

I contend that this amendment is too loose to serve the purpose the hon. member for Battle River (Mr. Fair) has in mind and it would be unwise to proceed with it. I pointed out the other day that, as regards the contention of the sponsor of the bill that the board was paying for unnecessary services, I was unable to discover from any reports of the wheat board that they were doing so. However, if that is the case—I do not know and I have not been able to find out—the best way in which to vindicate the charge

is to bring the whole matter before the committee on agriculture, have the officials come here, question them, and get the necessary information from them. I respectfully suggested on Tuesday last that we submit the whole matter to the committee on agriculture. This amendment, to put it in a nutshell, is purely and simply a form of socialism of a most expensive kind, and I strongly oppose it.

As far as the grain exchange is concerned, and it is extremely incidental in this bill, I for one do not believe that we should to-day return to the old system of marketing as we knew it in the past. I have here a humorous clipping which I shall read to the house, not because it is authentic but because it reflects to some extent the attitude of the farmer and the attitude he had at that time. It gives a definition of wheat.

Wheat, it appears, is a seed that is planted and grown to keep the producer broke and the buyer crazy. It is planted in the spring, mortgaged in the summer, and lost in the fall. Its quality varies according to the amount of rain or frost experienced during the growing season. A man who can guess nearest to this quality is called a wheat grader by the public and a fool by the farmer.

The price of wheat is determined at primary market. It goes down when one has bought, and up when one has sold. All of which reminds us of the story of the buyer working for a group of millers who came west to watch the wheat markets. After a few days he wired his principals to this effect:

"Some think wheat will go down and some think it will go up. I think so, too. Whatever you will do will be wrong. Act at once.

This is not accurate, but those who have known conditions in western Canada during the thirties, and when they had to depend entirely on the supply and demand for the price of wheat, will realize that it reflects to a certain extent the predicament of the farmers at the time. That situation has been relieved by the establishment of the wheat board. I repeat that I feel strongly in regard to the Canadian wheat board, and any amendment that would tend to weaken its position or worsen the situation I feel it my duty to oppose.

Mr. WILLIAM BRYCE (Selkirk): I rise to support the bill that has been introduced by the hon. member for Battle River (Mr. Fair). I wish to assure the hon. member who has just taken his seat that this group is wholeheartedly behind the wheat board. The bill introduced by the hon. member for Battle River will strengthen the wheat board.

In 1944 Mr. McIvor appeared before the agriculture committee of the House of Commons. On examining the details of the operation of the board, we found that his hands were tied because he was working under arrangements which were made in 1903. If farmers carried on their business like that I do not know where they would be to-day. To be progressive, business must keep up with the times. One could compare the system which has been laid down for the wheat board to follow with a farmer driving twenty-five miles into town with a horse and buggy or ploughing with oxen. They ploughed with oxen in the west in 1903. The wheat board of to-day operates under arrangements which were followed in 1903.

If this bill were passed it would give the wheat board power to do business the way in which they should do it in a modern world. It would streamline the board instead of tying its hands. To-day the wheat board is following the custom that was in vogue thirty-five or forty years ago. It should be changed. I have great respect for the wheat board. I have told the minister that before and I know he believes me when I say it. They have done a good job. It is unfortunate that they were not given the chance to do with rye what they have done with wheat, namely, stabilize the price. The man who eats rye bread to-day is paying around $2.90 a bushel for it. That is a deplorable state of affairs. The farmers receives one dollar and some odd cents for it and after the operations that it goes through the poor man has to pay $2.80 or $2.90 for it. That sort of thing should not be permitted in a modern world. But because of the way in which the wheat board's hands are tied they have to follow that system.

I have said that this group is in favour of the wheat board. We hope that it will be continued. I should like to see this bill pass to give the board more power than it has ever had because its hands are tied to the old methods that are employed by organizations which to-day are parasites on the backs of the farmers. Anybody who gets paid for a service that is not necessary is a parasite. We have to-day a lot of parasites in the grain trade. Let us hope that the wheat board will be supported in every corner of the house because it is the right and proper way to market grain. I hope that the Minister of Trade and Commerce (Mr. MacKinnon) bucks up one of these days and puts rye in the same category.

Mr. T. J. BENTLEY (Swift Current): I am going to support this measure but not for the reasons advanced by the hon. member for Provencher (Mr. Jutras). I do not agree with him that the hon. member for Battle River (Mr. Fair) has any great claim to the philosophy of socialism. In this respect he is simply following out what for many years has been in the minds of a great many people in western Canada.

I wish to point out to the house that there is a considered reason why we support this method of selling wheat. I have no hesitation in saying that whether it is in the mind of the mover of the bill or not, it is certainly in my mind, that this will help to do the very thing which the hon. member for Selkirk (Mr. Bryce) mentioned, namely, eliminate completely from the scene of grain marketing in Canada the Winnipeg grain exchange.

The considered opinions of the people who have supported this measure in the west dates back to the years of the first world war when they had their first experience with it. In 1917-18 the government of the day in its wisdom decided to stop the marketing of grain through the futures or speculative system. They set up a commission to handle the buying and they fixed a price at that time. The following year they felt that they could improve on that particular method and they set up the Canada wheat board which operated until August, 1919. They established a new system of marketing grain in this country, one which had not been tried out before, and which few people would have had the temerity to recommend to the people at that time. Although few people might have had it in mind, the government of the day set up the wheat board to operate in such a way that it made an initial payment at the time of delivery by the wheat producer. The board then gave him a participation certificate, and when the grain was sold through the various buying agencies to the buying or importing countries across the sea and the returns were made and the cost of operating the board was deducted the balance was payable at so much a bushel on each grade of grain when the books were closed.

That was something which pleased a great many farmers. I am not going to try to mislead the house or the people from eastern or other parts of Canada by saying that it pleased every farmer. Farmers are much like anybody else; they differ in their opinions on how to do things. Some of them like the idea of speculation; some of them like to be completely separate and alone or away from any particularly close association in the doing of their business with other people.

When I speak at this time I am speaking from an intimate knowledge of the workings of the minds and the thoughts of those farmers who believe in organization for their own protection. No doubt the others I have mentioned will have numerous champions in this house. Of course they have a perfect right to their own point of view.

[Mr. Bentley.]

When the wheat board of the first world war ceased to operate and the speculative market reopened, the price quoted was about $2.78 a bushel. I do not have that old history with me at the moment; if anyone looks it up he may find I am out a fraction of a cent or a cent, but I think that was the figure. I know that within one year after the Winnipeg grain exchange was opened and speculation was in full force again the price of wheat dropped by $1.60. If you can do quick mental arithmetic you can subtract $1.60 from $2.78 and you will have the figure. Furthermore, by the fall of 1923 when the crop came on the market, wheat was selling at just a little over $1 a bushel, while some grades were considerably below that figure.

I am giving the house this history, because it is important to know the background of the demand which as best I can I am helping to urge in this house, as expressed in this bill. This is a bill, not a resolution; sometimes I become confused, because I am new to this sort of procedure. When we in the west found this condition obtaining on the open, speculative market, represented by the grain exchange, we commenced to organize ourselves, after first having asked the government here in Ottawa to reinstitute the wheat board. For its own reasons the government was unable or unwilling to do so. We need not go into that matter. Governments change; minds change. At that time no doubt they felt they were right, but in any event they did not set up the wheat board again, and as a result we had to organize ourselves. In that organization I must admit that we had a great deal to learn. Like this House of Commons here, we did not know everything back in 1923. Neither we nor they know everything yet, but we have all had twenty-three years of experience since that time.

We went on to organize the great farm marketing institutions, the wheat pools, operating on a voluntary basis somewhat along the lines of the wheat board. In the years 1923 to 1929, when Europe was being rebuilt and rehabilitated after the war, the thing worked fairly well; but when the world collapse came in 1929 and 1930 we found that we were not strong enough, organized in one country alone, even though we were well organized, to withstand the impact of world conditions. At the same time we found that the speculative market was much more ineffective than the wheat pools in maintaining and stabilizing prices for the farmers. We all know the history of what was done by the government of Right Hon. R. B. Bennett at

that time. In their own way they tried to maintain what they believed was a free enterprise system in the marketing of grain. They would not interfere with the speculative channels, but they had to do something, and they did perform what were called stabilization operations, which were not very successful but which did help to a certain extent. That gave an indication that these things could be controlled. The farm organizations were continuously pressing for the establishment of a wheat board, with the sole idea of eliminating the grain exchange.

Before getting this far I should have mentioned that there was a certain definite philosophy behind the cooperative grain marketing organizations formed in 1923. On the fly leaf of their handbook you will find, among others, these words:

. . . to eliminate manipulation, speculation and waste and all unnecessary transactions in the marketing of grain, and to preserve for the producer and consumer their proper profits and economies . . .

That word "profits" will indicate that we were not socialists then, and not all of those in the movement are socialists even yet. They were trying to maintain their proper profits and economies. That was the slogan then, and those words are still on the fly-leaf of the handbook of Canadian cooperative wheat producers. After that we got the wheat board. I do not want to recite a whole lot of history, but in getting that wheat board in 1935 one of the things the farm organizations particularly wanted was a committee to assist and advise the wheat board in the marketing of wheat and the fixing of a price for it There was a great deal of controversy and a great deal of opposition from the operators on the Winnipeg grain exchange to the fixing of that price. Again I do not wish to criticize any individuals here. People did and supported what they thought was proper at that time, but again I am speaking from the point of view of the organized farmers, who wanted the price fixed somewhere near the cost of production. At that time the people who sat in this House of Commons were not convinced that this was a very good idea, but if I gauge the temper of this house to-night, a great many hon. members would violently oppose the removal of controls at the present time so that prices would move either upward or downward at the will of speculators. In any event, at that time they wanted stabilization in the matter of farm products, based on something like the actual cost of production to the farm operator.

So we got the wheat board, and ever since that time we have been attempting to have the board cease using any of those agencies whose operations might be included in the "unnecessary transactions" mentioned in the quotation I gave from the fly-leaf of handbook No. 1 of the Canadian cooperative wheat producers. We were not successful; the organizations are still carrying on. But other organizations which at that time had not seen the picture have now learned that this is important. For instance, since that time we have seen the organization of the Canadian federation of agriculture. That federation has a twelve-point programme, and point No. 6 is this:

The establishment of a permanent national wheat marketing policy to give encouragement and leadership to development of an international wheat agreement and work out price arrangements which would prevent wide fluctuations.

That means negotiated prices. It does not mean prices arrived at by speculation on the part of some persons who desire to buy or sell options and put up a margin. Point No. 7 states:

Establishment of the Canadian wheat board as the "sole institution" for the marketing of Canadian cereal crops.

In the early days of this organization many people even in the west did not see this picture clearly. Now it is seen and understood by people all over Canada, because the Canadian federation of agriculture represents farm organizations of all kinds, and they are not all cooperatives. There are some organizations which do not claim to be cooperatives but simply to represent the interests of some particular type of farm industry across this dominion. These people belonging to this organization have joined the wheat pools and the organized farmers of the west in endorsing this policy. Some hon. members were here in the early days of 1942, when a delegation came to Ottawa. They will remember the representations along those lines which were made at that time. Now we have another world-wide organization in connection with which I want to remind hon. members of point No. 6 in the recommendations of the federation of agriculture, having to do with the development of an international world wheat agreement to work out prices. Three years ago we had the Hot Springs food conference, which last fall was crystallized in the united nations food and agriculture organization. One of their plans, as set out in article I of the Food and Agricultural Organization of the United Nations Act, said:

The organization shall promote and, where appropriate, shall recommend national and international action with respect to (d) the improvement of the processing, marketing and distribution of food and agricultural products.

There is no question that all are agreed that the organized methods of marketing cereal products or wheat itself, and including oats and barley to the extent to which they are handled, through the wheat board, has been an improvement. Even the hon. member for Provencher (Mr. Jutras) agreed to-night that the wheat board has done a magnificent job, and we are very proud of our part in the west in helping to promote the work of that board. I agree with the hon. member that it has brought about a vast improvement in the marketing of cereal products. It has brought advantage to the farmer who has produced those cereals, to the nation of which the farmer is a citizen, and to the purchasers of those products.

When we have something working well, why is it not a good thing to improve it as much as possible? We believe that if the wheat board is given authority to set up its own organization, and if it has not to use unnecessary institutions, there will be an improvement in the situation which will be of value to all concerned.

In the early days many organizations had not agreed that this was a good thing. We had our rural municipal associations which were not yet convinced. Now the rural municipal association, in Saskatchewan at least, would endorse this policy. We have another big agricultural association in Saskatchewan, and I should like to emphasize to any who may be listening that the organized agricultural societies of Saskatchewan are not cooperative institutions. They do not bear the name "cooperative"; their philosophy is not based upon the cooperative philosophy in trading. Many of their members believe in it, but the organizations themselves are just as they were when they were created many years ago, namely distinctly local agricultural societies organized and joined together for the purpose of improving production of agricultural products.

They, too, have advanced and learned. They, too, in the past have been the victims of unfortunate circumstances. They, too, are comprised of intelligent men. Indeed, right in this corner of the chamber sits an hon. member, namely the hon. member for North Battleford (Mr. Townley-Smith) who is a high official in that organization. He can vouch for what I am going to say about them. Some of them may believe in speculation, while others believe in cooperative marketing; but all believe in the improvement of production methods. Last January they held a meeting of the Saskatchewan agricultural association in Saskatoon, and at that meeting passed a resolution containing six points. The first point, considered by them the most important —there are others, but I shall mention only the one because it has reference of the matter before the house to-night—states:

> The Canadian wheat board should be the sole marketing agency for coarse grains as well as wheat.

If they passed a resolution like that it is obvious they are not asking to have the wheat board the sole marketing agency, and then expecting that wheat board to diffuse its responsibility and use unnecessary marketing agencies which would eliminate or to a large extent nullify the meaning of the word "sole" in the resolution.

I make these observations this evening, through you, Mr. Speaker, in order to try to convince the house that the bill before it is an important one and one which has received the support of organized farmers from western Canada, because the experience in past years has convinced them that such action is necessary.

Someone will say, "All these farm organizations do not believe in it." I say that all the big ones do, and that many of the smaller ones do. I cannot vouch for all the smaller ones. However, the ones I have mentioned here this evening have stated their official ideas in the matter, and because of that I do not think there should be any hesitation whatsoever in allowing this bill to come to a vote.

I could give a number of quotations, but if I do not conclude soon I may be accused of having talked out the very thing I wish to support. I hope the house will vote on the bill to-night, and thus give the necessary impetus and encouragement to the producers of western Canada, thereby showing them that the rest of Canada is behind their efforts to improve their own conditions.

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, before dealing with the terms of the bill I should like to make it clear that so far as I am concerned I am now, and have been ever since I have been in public life, favourable to the policy of the wheat board handling wheat and coarse grains, and doing so exclusively. There can be no doubt as to my stand on the part of anyone who has followed my speeches in the matter.

In regard to this particular bill, however, there seems to be some confusion as to what it attempts to do. For example, the hon. member for Selkirk (Mr. Bryce) said that the hands of the wheat board were tied, and that it was the purpose of the bill to untie them. Then the hon. member for Swift Current (Mr.

Bentley) said that the purpose of the bill was to give the wheat board the right to set up its own agency, so that it would not have to employ private grain agencies to handle wheat, and this would mean that it would not have to employ cooperative agencies for that purpose.

I believe the wise procedure is to look at the terms of the bill. Section 8 of the Canadian Wheat Board Act states the following in paragraph (i):

> In selling and disposing of wheat as by this act provided, to utilize and employ without discrimination such marketing agencies, including commission merchants, brokers, elevator men, exporters and other persons engaged in or operating facilities for the selling and handling of wheat, as the board in its discretion may determine.
>
> (j) to offer continuously wheat for sale in the markets of the world through the established channels: Provided that the board may, if in its opinion any existing agencies are not operating satisfactorily, take such steps as it deems expedient to establish, utilize and employ its own or other marketing agencies or channels.

The purpose of the bill is to repeal those very sections which give the wheat board power to employ any marketing agencies it sees fit; and if it finds that any of those marketing agencies are not operating satisfactorily, to utilize and employ its own marketing agencies. So that the act as it stands to-day gives the wheat board the full power either to use existing marketing agencies or to set up its own. I cannot see the cogency of any argument which says, "We want to give the wheat board power to set up its own agencies", and then bring in a bill, and support it, which repeals the section which gives that very power.

Among the great marketing agencies operating in western Canada are the great grain marketing pools, the cooperative grain marketing organizations. They are the ones which are handling to a great extent the grain of western Canada. I take it from the bill presented by the hon. member that he would deprive these great cooperative marketing agencies of the right to handle the grain of the farmers for the wheat board.

As far as I am concerned, and as I said at the beginning, while I am in favour of the wheat board having the exclusive right to handle the grain of the western farmer—and in that I include rye; I have made representations to the Minister of Trade and Commerce accordingly—I would much rather see this grain handled by it through the cooperative organizations which have been set up to take it from the farmer, to ship it to the east, to handle it in the terminal elevators and to ship it abroad than by any agency of government, no matter how well it is handled. I have no hesitation in saying that, whenever it is a choice between cooperation and state socialism, I will take cooperation every time.

Mr. IRVINE: In the hon. gentleman's opinion, if this bill is passed will it necessarily eliminate the grain exchange?

Mr. TUCKER: I would say that if this bill passes it will not eliminate the grain exchange at all. They can still go on dealing in futures and so on. The only thing it would do would be to prevent the various cooperative agencies, such as the wheat pool and other agencies, from handling the grain of the farmer at the behest and under the direction of the wheat board.

Mr. FAIR: May I ask the hon. gentleman a question?

Mr. TUCKER: I did not interrupt the hon. gentleman. I suggest that I be permitted to make my speech. I do not think there is any doubt that what I am saying is correct. The purpose of this bill is to see that the wheat board shall not have a free hand. It definitely provides:

> . . . to employ such methods, consistent with the provisions of paragraph (b) of this section, as will not involve the payment, directly or indirectly, of any commission or other remuneration to commission merchants, brokers or other marketing agencies.

I will ask the hon. member, and he can answer me when he closes this debate, if the wheat pool of Saskatchewan is not a marketing agency. In other words, it would deprive the wheat pool of the right to earn money in the handling of the farmer's grain as a marketing agency. Surely the hon. member could not be serious in asking the house to vote for a bill that would accomplish that purpose. If he wants to do away with the grain exchange let him bring in a bill that will do away with it. Let him be outright and straightforward in his methods instead of striking at the great cooperative marketing agencies, which we in the west, including myself, are so proud of, and which I may say I was one of the first to join when they started to get going.

Mr. FAIR: On a question of privilege, the hon. gentleman is accusing me of something which he knows very well is not in my mind and is not my intention. I have stated definitely that my intention was, indirectly, to do away with the grain exchange.

Mr. SPEAKER: Order.

Mr. TUCKER: I would say to the hon. member who has sponsored this bill that the courts have ruled over and over again that you must judge the intention of legislation

by what the law says, not by what is said by the person who introduced it. We are being asked to vote for a bill the purpose of which is to deprive the wheat board of the right to employ the marketing agencies which now exist throughout western Canada and other parts of Canada as well. No matter what the hon. gentleman says he intended to do, that is what this bill will do if it is passed. He has asked the house to endorse that principle. He has really caused a situation to be created whereby anyone who points out these facts is accused of being in favour of the grain exchange. As was pointed out by the hon. member who just asked me a question, the effect of this will not be to close the grain exchange. It will interfere more with the cooperative marketing agencies of western Canada than it will with the grain exchange.

If the hon. member is going to undertake to take up the time of this house by introducing a bill which, if passed, will cripple the great cooperative marketing agencies of western Canada, I will not remain in my seat no matter what charge may be brought against me that I am trying to uphold the grain exchange. I feel justified in rising in my place in this House of Commons and taking this stand, because my view about the upholding of the wheat board and of the cooperative organizations is so well known in Saskatchewan that nobody can dare to say that I would do anything that would harm them or in any way oppose them.

Mr. FAIR: Do not tucker yourself out.

Mr. TUCKER: I did not hear what the hon. member said.

Mr. FAIR: Do not tucker yourself out.

Mr. TUCKER: That is very funny indeed. That is just about as foolish as introducing a bill which does exactly the opposite to what the hon. member says he intended to do. The watchword of every man representing a grain farming constituency in this house should be, in the light of the grand record of the wheat board, "Hands off the wheat board; do not interfere with them; give them a chance to carry out the work they have been doing so well in the past and, if they require it, give them even more power to deal with grain that they have no right to deal with exclusively to-day." In other words, add to their rights; do not interfere with them.

In regard to the policy which is being enforced under the present wheat board act, I would say at this particular stage when there seems to be some doubt as to what the proper policy should be in regard to farm products:

I think the farmer is just as much entitled to a reasonable minimum price for his product as the working man is entitled to a fixed minimum wage. The farmer is just as much entitled to a fair share of the national income consistent with the amount of work he does and the amount he has invested and so on as any other particular group in the community. This government in introducing and having passed by this house the Agricultural Prices Support Act has given its approval to such a policy. I should like to put on the record section 9, subsection 2, of that act which was passed in 1944 and which, I take it, is still the policy of the government as enacted by this parliament. This subsection reads:

> (2) In prescribing prices under paragraphs (a) and (c) of subsection one of this section, the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

There is a definite pronouncement of a fair deal for the farmers of this country. As far as I am concerned I hope and believe the government will never waiver from its policy of a fair and just deal for the farmer.

Mr. CASTLEDEN: When is the act to be proclaimed?

Mr. TUCKER: It has been proclaimed in part already and the chairman of the board is already functioning.

With regard to wheat, I take it that the policy of a minimum price must be carried out by the wheat board. For that reason I should like to see the wheat board continue with full power, or with added powers if those are needed to discharge fully the obligation which this parliament has assumed toward the great agricultural industry of this country.

Some people may ask why the farmer should have fixed prices for his products. One of the first reasons I would suggest—and I can speak with a great deal of feeling because all my life I have been either a farmer or closely in touch with farmers—is that the hazards of farming are enough for a farmer to contend with without having to be faced with a fall in the prices which will wipe out, even though he has a good crop, what he has the right to expect from his months of hard work. In that connection I wish to quote from a speech of the president of the Canadian federation of agriculture to that organization in January, 1945, which I commend to the consideration of the house:

To the people of Canada not engaged in agriculture we say, in all seriousness: If costs of distribution are to be continued at approximately present margins; if capital employed in agriculture is to continue to receive rewards on the same basis as in recent years; and more particularly if the greater part of industry in Canada is to hang on to the protection it has enjoyed, then equality of exchange for agriculture definitely means relatively high prices for agricultural products and correspondingly high retail food prices.

If most other industries and groups persist in clinging to practices and privileges designed to hold their prices or rewards for services on a high level, then in all justice agricultural prices must be placed on the same level.

Please note, agriculture is not choosing that level, nor do we recommend it. But if Canada decides to maintain the greater part of her economy on that higher level, and to pay the farmer on the basis of a cheap food policy, the result will be to exploit the purchasing power and living standards of people living on the land, bring tragedy to agriculture, and eventually the tragedy of unemployment and depression to the nation as a whole. A cheap food policy at the expense of agriculture will be bad business for everybody and a costly blunder for Canada in the end.

What is the policy in regard to wheat? I have heard it said on the floor of this house that a very high price was obtained for wheat following the last war, but in case I have not time to read the quotation I wished to read in regard to this, let me preface what I am going to say by this. The farm leaders of western Canada have upheld the policy of price stabilization and loyally supported it.

An hon. MEMBER: No.

Mr. TUCKER: I will read proof of that if I have time. But at the same time if the prices of the things which the farmer has to buy, such as fuel oil and farm implements, are permitted to rise, then an adjustment must be permitted in the prices of the products which the farmer has to sell.

Some hon. MEMBERS: Hear, hear.

Mr. TUCKER: That is in accordance with the policy of the government and laid down in the Agricultural Prices Support Act. In this regard, however, I would say this. One of the things that the farmers of western Canada feel most strongly about is that while they are not asking for the last cent they can get for their wheat in the day of need of the consumer of bread, they do say this, that so far as the internal price of wheat is concerned, when you take wheat from the farmer at $1.25 a bushel to make it into bread in Canada and when you are selling the wheat abroad at $1.55 a bushel, you are asking wheat farmers to subsidize the consumer of bread in this country to the extent of thirty cents a bushel on between forty and fifty million bushels of wheat. That amounts to a subsidy by the farmers of this country to the bread-eaters of this country of from $12,000,000 to $15,000,000.

The farmer says this, that if the price of his fuel oil and gasoline is to rise two cents a gallon and the price of his farm implements by 12½ per cent, that policy of the farmer subsidizing the bread-eater of this country is one which should be reconsidered. If we are to have cheap bread, to which the farmer has no objection, the nation as a whole should pay that subsidy to provide it and not the farmer.

In order to bear out my statement that the farmers of this country have loyally supported the policy of price stabilization and do not seek to exact the last cent out of the present difficult food situation, I should like to read to the house from a recent broadcast by Mr. Wesson, president of the Saskatchewan wheat pool. I heard the leader of the opposition (Mr. Bracken) to-day make some reference to the amount which the farmer got for his wheat following the last war. Let me first give the figures on that.

The Winnipeg market, in September, 1920, showed an average cash price for that month for wheat of $2.73½ cents a bushel. That is very fine. But by next fall, in November, 1921, the average price had dropped to $1.10⅞ a bushel, and the farmers of western Canada, having been once bitten under that sort of system, are not going, if they can avoid it, to permit themselves to be bitten again. Let me now read what Mr. Wesson said on that point in a broadcast on April 2 of this year:

> There is quite an agitation in some quarters to-day that wheat prices ought to be much higher than they are at the present time because of the acute wheat shortage. No one will disagree that higher prices could be secured under present conditions, but don't be fooled by this dangling bait that is being placed before you, because the advocates who are using so much lip-service to-day have a very different motive. They want to get back to the old order of things. The free and open market system of trading, with high sounding phrases like the inexorable law of supply and demand.
>
> But, while the exponents of higher prices to-day are very eager in the interests of the farmer that he should get higher prices, you will notice that they go no further than the present time, and you know, and I know, that based on past experience, if we had no protection but the much vaunted open market system, when the supply position changed on the swing of the pendulum to the opposite extreme, we could quite easily get back to the same position as in the black years of the 1930's, when wheat on this same open market went down to less than 40 cents a bushel.

Mr. SMITH (Calgary West): Will the hon. member permit a question?

Mr. TUCKER: I have not much time, and wish to finish reading this.

Mr. ROSS (Souris): If the hon. member will permit a question—

Mr. TUCKER: It is not that I am afraid to answer questions.

Mr. ROSS (Souris): A moment ago the hon. member pinned his faith on the Agricultural Prices Support Act. Does he not know that section 2 of that act excludes wheat entirely?

Mr. TUCKER: We can look to the wheat board to apply this policy in regard to wheat. I made that very plain, if the hon. member had been listening.

Mr. SPEAKER: The hour for public and private bills having been exhausted, the house will now revert to government orders.

Mr. BRACKEN: On a question of privilege, Mr. Speaker, the hon. member for Rosthern said that I had made some reference to the price of wheat following the last war. He must have been in error because I made no such reference.

Mr. TUCKER: I understood the hon. member to refer to the price of wheat after the last war, but if he did not, I am sorry that I said he did it in error.

CANADIAN CITIZENSHIP

NATIONALITY, NATURALIZATION AND STATUS OF ALIENS

The house resumed from Friday, May 3, consideration in committee of bill No. 7, respecting citizenship, nationality, and naturalization and status of aliens—Mr. Martin—Mr. Golding in the chair.

The ACTING CHAIRMAN (Mr. Golding): When the committee rose the other night the hon. member for Lake Centre (Mr. Diefenbaker) had moved an amendment which I think I should now read to the committee. The hon. member moved that section 10 be amended as follows:

That the following words be added to the section as subsection 6: "Such certificate of citizenship shall be deemed to include a Bill of Rights as follows:

1. Freedom of religion, freedom of speech, and the right to peaceable assembly are assured.
2. Habeas corpus shall not be suspended except by parliament.
3. No one shall be required to give evidence before any tribunal or commission at any time if denied counsel or other constitutional safeguards."

Mr. DIEFENBAKER: Mr. Chairman, I do not intend this evening to make a formal speech in support of the amendment that you have just read. This amendment is not meant to be all-exclusive, nor is it meant to be all-inclusive. My first suggestion is that if the Secretary of State accepts the principle of the need in this country of a bill of rights signifying what citizenship stands for, then possibly the best means whereby that result could be effected would be to set up a committee of the house. It would not take very long for that committee to meet and it would afford an opportunity to exchange ideas among the various groups in the house and thereby evolve a bill of rights which would be acceptable to all, and one which would carry into effect the highest principles of citizenship.

I realize that there are many who say that all the rights referred to in the amendment are now in effect and that there is no necessity to have a bill of rights in Canada, that the great principles of Magna Charta, the Petition of Right, Habeas Corpus and the Bill of Rights are part and parcel of the law of this land and that, except in war time, they have not been interfered with and therefore it is not necessary to have a bill of rights.

But may I point out that during recent years, and particularly since 1914 when the War Measures Act was passed, there has been a trend and tendency in this country to diminish and attenuate rights ordinarily comprised in citizenship, and I proposed the amendment for the purpose of having parliament determine once and for all that a stop be put to the continuance of any such tendency or trend in this land.

The citizenship bill as a whole has received support from all sides of the house, and with the exception of one provision in the bill, there has been almost unanimous support of the need for it and of its terms. I am not going to make this evening anything in the nature of a partisan speech, for I believe that this is a matter which deserves the serious consideration of all members in all parts of the house.

My appeal at the very outset is that the minister, in order to round out the work already begun by him under this citizenship bill, should complete that work now by having parliament declare once and for all the rights that are incident to citizenship in this country. Only recently, all too recently, the people of Canada have become liberty-conscious by reason of what has taken place in connection with the espionage investigation.

While at the beginning of that investigation there were those in Canada who said, "After all, what is being done can do no harm because those against whom the proceedings are being taken belong to a philosophy alien to ours", in recent days Canadians on every hand are saying, "Well, if they can do it in the case of those whose philosophy is antagonistic to

ours, is there any reason why the government could not do the same thing under order in council against other minorities?"

It is for that reason that the problem has become of great significance. I believe that a matter of primary importance in parliament is to assure the maximum preservation of civil liberties. We became accustomed to the diminution of those liberties during the war when rights were abridged and terminated in many cases because the survival of the nation was more important than the preservation or survival of democratic symbolism.

This citizenship bill, in order to carry out the hopes of those who have given it their support, must assure that in this country there shall be no superior class of citizenship and that citizenship shall not be based on race, creed or colour, nor shall there be any first or second-class citizenship. Let there be no mistake about this. I am unalterably opposed to any alteration or diminution of the rights of Canadian citizens by order in council independently of parliament; for history shows that if you permit the rights of a citizen to be impinged upon, regardless of who that citizen may be, every other person is a step nearer to the loss of his rights, since infringements upon democratic rights have no limits except in the limitations imposed by the vigilance of the people. History proves, too, that when minority rights are interfered with, or when the prerogative rights of individuals are invaded, it is not long before few dare to conform but to the desires of the majority, and often those who exact oppression on minorities are themselves the first victims. Liberty is not something that can be purchased for all time. There are not several kinds of liberty; there is only one liberty, namely, the liberty based on law and under law.

I have said that lately there has been a definite trend away from the principles of liberty. The War Measures Act remains on the statute books of this country. So long as it is on the statute books there is no reason why governments, if they so choose, might not create emergencies real or apprehended, thereby permitting them to commit arbitrary acts under its powers.

This parliament should endeavour to assure that never again, excepting by parliament, shall the rights of individuals be reduced or entirely done away with. In connection with the order in council which dealt with the espionage problem, the right of habeas corpus was done away with as directly as though the order in council so provided, because that order in council stated that every person held, regardless of the circumstances under which he was held, was deemed to be under lawful arrest. I am going to refer to one or two sections of these great bulwarks of liberty of Magna Charta, the Petition of Right, the Habeas Corpus Act and the Bill of Rights, and leave it to the committee to appreciate the extent to which these rights have been interfered with in the recent order in council.

So far as Magna Charta is concerned article 40 states:

> To no one will we sell, to no one will we deny, or delay right or justice.

One has only to recall what took place a few short weeks ago when men were denied the right to present their cases, were held without charge against them and were denied the opportunity of having counsel during the proceedings of the investigation to realize that these rights have been denied.

Then there is the Petition of Right. That petition of 1628 provided one thing more importantly than anything else, namely, that no one should be held unless there was against him a charge known to law. The Habeas Corpus Act of 1679 was entirely removed by the order in council passed in October last, and that removal became part of the law of this land under the provisions of the Emergency Powers Act, although in passing that act parliament thought it was passing an act in regard to economic matters instead of matters respecting the liberty of the subject.

Finally there is the Bill of Rights of 1689. It contains certain principles there that are applicable to this discussion. They were condemned at that time, and yet they were adopted in 1945 and 1946. One of them reads as follows:

> That the pretended power of suspending of laws or the execution of laws by regal authority without consent of parliament is illegal.

I have already pointed out what was done in reference to habeas corpus by the executive. The Bill of Rights states in part:

> That the pretended power of dispensing with laws or the execution of laws by regal authority as it hath been assumed and exercised of late is illegal.
>
> That the commission for erecting the lay court of commissioners for ecclesiastical causes and all other commissions and courts of like nature are illegal and pernicious.

Furthermore, it sets out that every man shall receive his right to his day in court and without unnecessary delay.

As I said a moment ago, I did not state that the Bill of Rights as set forth in the amendment is all-exclusive or all-inclusive. In paragraph 7 it asks for a declaration that:

> Freedom of religion, freedom of speech and the right to peaceable assembly are assured.

So long as the government does not see fit to claim the right to change these rights by order in council they are assured in reality.

Paragraph 2 states that:

Habeas corpus shall not be suspended except by parliament.

Was there any reason why habeas corpus should not have been suspended by parliament instead of by order in council? Never before in British history was habeas corpus ever suspended in the United Kingdom except under statute or under the power contained in a statute. The only times that habeas corpus had been done away with, suspended or abrogated in Great Britain was by parliament or by powers contained in an act of parliament.

I do not wish this to be too technical, but Blackstone in his "Commentaries" had this to say at page 300:

For it is the parliament only, or legislative power, that, whenever it sees proper, can authorize the crown, by suspending the Habeas Corpus Act for a short and limited time, to imprison suspected persons without giving any reason for so doing.

It has been suspended in Great Britain on eight or nine occasions over the years, but on every occasion that it was suspended it was under statute or under the powers contained in a statute. It was suspended in 1696 in connection with the investigation known as the "Plot". It was suspended again in 1794 after the execution of Louis XVI and his wife in France when Britain was stirred up. It was suspended again in 1914 under powers granted by parliament. Nowhere excepting in the Dominion of Canada has there ever been a case of habeas corpus being suspended except by the will of the people as expressed in parliament. That is why I suggest that parliament should now determine once and for all that never again will that right, without which there can be no freedom or liberty under law, be denied except in cases of emergency and by parliament itself.

The third paragraph of the amendment is as follows:

No one shall be required to give evidence before any tribunal or commission at any time if denied counsel or other constitutional safeguards.

The other day the Minister of Justice said that the Official Secrets Act gives to the commissioners the power to deny counsel to persons giving evidence before that commission. It says it may; but in this case without any reasonable explanation given, the right enjoyed by all people in British countries to be represented by counsel was done away with.

[Mr. Diefenbaker.]

What other rights were done away with? Rights enunciated by the Canadian bar association were as follows:

The right not to be detained at the mere arbitrary will of the crown or any government or administrative authority.

The right not to be arrested unless under the authority of a magistrate's warrant.

The right, when under suspicion or arrest or sentence, not to be coerced to give any information or evidence against himself, or to testify in one's own case.

These rights were denied under circumstances that would permit their denial again if there should be in power a government willing to do these acts. These are things which ought not to be permitted in a British country. Without regard to party considerations the press of this country have condemned almost unanimously what was actually done during recent weeks. I am not here for the purpose of rehashing what has been said on previous occasions, but I do think we in parliament must have the assurance once and for all that invasions such as these shall no longer be tolerated in this country.

That is the reason for the amendment. Let me point out that while there were many who felt that to raise objection would cause people to hold in contempt those who raised the objection, or would subject them to criticism, almost without exception every newspaper in this country which supported the government and was liberal in its viewpoint condemned what the government did in this case as arbitrary, unjustified and unreasonable. This is not a party question. It is a question that affects the liberties of the people everywhere and the future of every citizen of this country.

I know of no better way to summarize the situation than to refer to a speech delivered by Nicholas Murray Butler, president of Columbia university, in 1941. Dealing with the subject of liberty as only a man such as Butler could deal with it, whose whole lifetime has been devoted to ensuring that liberty shall be preserved, these were his words:

It is fundamental that liberty is not a grant of government but that government is a delegation of power by people who have liberty, and that this government must always be subject to their control.

Then he said:

It is the chief business of a free people, and their greatest responsibility, to see to it that the government which they have set up does not, under one pretence or another, invade the reserved field of liberty and restrict it in a manner which the free people themselves have never authorized or contemplated. In a democracy the state and government are wholly distinct. The state is the field of reserved liberty plus the

field of government. State and government can only be identical when liberty has wholly disappeared.

Then these pertinent words were uttered in 1941:

The constant struggle of those who are, consciously or unconsciously, enemies of liberty, is to increase, even to multiply the function and authority of government.

This government was no enemy of liberty; I do not want to leave that impression. But in doing what it has done it has created a precedent, unless objection is raised by parliament, that might well be dangerous in future if it should be succeeded by another government that might be an enemy of liberty. In the original constitution of the United States there was no bill of rights. Those who created that constitution believed that the principles of liberty enshrined in British common law would never be interfered with or contravened; nor would they be by any government set up in the United States. But what happened? Within a very few years it became necessary for the United States to establish a bill of rights, because the rights of free men were being interfered with. It is interesting to note that within a very few years after the constitution was adopted an Alien Act was passed whereby non-citizens could be deported or could be imprisoned without trial or hearing. Then a Sedition Act was passed whereby newspaper editors or public speakers could not utter a word which might cast aspersions against the administration. What happened shows the danger of intolerance of the views of others. These great patriots, desirous of upholding democracy as they understood it and believing that they alone were the custodians of what was best for the people, set out inadvertently and involuntarily to destroy those with whom they disagreed. History shows that the preservation of civil liberties is necessary in order to preserve governments that might be intolerant as well as those who might suffer through the exercise of intolerance.

Some say to me, "Why not accept the bill of rights enunciated in the United States?" Under our constitution many of the amendments to the United States constitution would be subject only to provincial jurisdiction. I am going to read that bill of rights, because it epitomizes the situation relative to citizenship. The first amendment provided that there should be no interference with religion, free speech, a free press, or the right to assemble peaceably. The second amendment guaranteed to the people the right to have weapons. The third amendment guaranteed against lodging soldiers in private houses without the consent of the owners. Both of these sections are no longer applicable. The fourth amendment provided that there should be no search or seizure of persons, houses, goods or papers without a search warrant. That is no longer applicable. The fifth amendment declared that there should be no trial for serious offences without a grand jury indictment. That is no longer applicable. The sixth amendment required a speedy and public trial for public offences. We already have that under the criminal law. The eighth amendment prohibits too large bail or fines, and cruel or unusual punishments. We have that under our criminal law. With the exception of the freedoms and the constitutional rights of habeas corpus and the right to constitutional safeguards being preserved, all the other rights covered by the United States bill of rights are omitted from the amendment.

In view of the fact that all across this country newspapers supporting the government have given almost universal support to the need of such a bill of rights; in view of the fact that almost without exception these great newspapers have given the lead in emphasizing that the things which have recently taken place shall never be repeated, I ask the support of the minister in assuring that the rights of Canadian citizenship shall never again be attenuated or diminished. Let the past be gone. Let us assure that as far as the future is concerned citizenship shall mean everything that it means under Magna Charta and the other bulwarks of liberty.

(Translation):

Mr. FULTON: Mr. Chairman, I wish to say a few words to-night in connection with this act defining citizenship. Before I get to the heart of the matter, I would like to say how happy I am to support the amendment moved by the hon. member for Lake Centre (Mr. Diefenbaker). We have here a man who has never lost sight of that greatest attribute of true Canadianism which is liberty, and who has never missed an opportunity of defending that very principle with all his might.

It might be well to state, at the very outset, why the certificate of citizenship should grant certain inalienable rights. This bill, as we all know, would create and define a status of Canadian citizenship. Is not liberty the most important condition of such a status? We have though it fit to fight for the defence of our liberty and now we surely think fit to defend that same right in the council of the nation. I say without exaggerating that our new citizens do not fully understand the rights and privileges granted them when they acquire citizenship. Therefore, if we create the Cana-

dian citizenship, would it not be advisable to complete our task by giving a definite meaning to this status, so that a Canadian may not simply say, "I am a Canadian citizen", but also, "I am a free man and here are my rights!"

What worries me, Mr. Chairman, is that not only are Canadian citizens not sufficiently aware of their rights, but a government craving for power has seriously encroached upon them. During the last few years, we have witnessed an ever-growing threat to our liberties and our civil rights. This is more than ever the time when we should unite and eliminate this threat.

Mr. Chairman, with your permission I would like to make the following suggestion to the committee: If the bill under discussion defines the status of Canadian citizens, we should now adopt the measure which is its logical consequence, that of defining, establishing and guaranteeing once and for all the rights which such status implies. And only by the passage of a Bill of Rights determining the rights of the citizens, will this purpose be achieved.

(Text):

Mr. Chairman, in speaking to the amendment moved by the hon. member for Lake Centre it seems to me that one of the first requisites would be to devote some thought to the question of why it is necessary to attach a definition of the rights of citizenship to a certificate conferring citizenship.

Among all the authorities I can do no better than look to the words of the minister who moved the bill, and in whose name it stands. I believe if we compare his statements when he moved the introduction of the bill at the last session with those he made at this session we shall see what might be described as a progression to the point where the minister himself is in support of the position now adopted by the hon. member for Lake Centre.

Last fall, in moving for leave to introduce, the minister said as reported at page 1335 of *Hansard*:

> It should not be concluded from this that the bill in reality makes any sweeping change or that there has not previously been any such thing as Canadian nationality.

Then, again, on the same page:

> It is the intention of the government to undertake an extensive revision of the present Naturalization Act in terms of Canadian citizenship. By this I mean that the bill I am introducing is in reality a comprehensive amendment of the Naturalization Act in which, to avoid the old sources of confusion, all definitions, conditions and qualifications are in terms of a general status of "Canadian citizen."

[Mr. Fulton.]

In other words, in effect what the minister said then was that this bill is really not accomplishing anything new. It is merely the definition of an already existing status. However, at this session the minister has made it clear that the object of the bill is to define the fundamental status on which the rights and duties of Canadians will depend.

At page 504 of *Hansard* for this session the minister is reported to have said:

> Generally speaking, by this bill we are seeking to make the status of Canadian citizenship the paramount national status of persons who are Canadians.

We have all agreed that one of the reasons this bill should be supported is that we in Canada need a consciousness of citizenship. The minister's second position, the position implied in the words I have just read, seems to be the most logical, and the one which best defines the object we have in mind in moving the amendment, namely that in this bill we intend to create a status. There is no purpose unless that status has some meaning, unless it has some effect and some results.

Canadians must now know what are their rights when they become citizens. Again I turn for authority to the words of the minister when at page 505 of *Hansard* he said:

> We should want, therefore, to impress upon new Canadians whom we shall welcome and want to share in our national endeavours that they are joining no mean society but a society that will give them freedom and an opportunity perhaps that they have not had in other lands.

We have always regarded ourselves as free men. We have taken it for granted that ours is a heritage of freedom. Ours is the proud attribute of those who can say, "We are free, and no man can impose on our rights unless we consent." That surely is one of the greatest possible attributes of Canadian citizenship. That is one which should be definite and secured to any Canadian when he becomes a citizen.

What we are saying, in effect, is that the time has now come, and that it can no longer be put off, when these rights shall be defined and shall be guaranteed forever. It may be asked why we say that that time has now come. It has been shown by the hon. member for Lake Centre that the reason lies in the fact that Canadians have been losing their freedom. Under the aegis of this Liberal government, whether by accident or by design, freedom has been abrogated steadily over the period of the last few years.

It is not only in the war-time measures that this process has continued; it has been carried on since the termination of both the European and the Japanese wars. A brief examination of this process will suffice to support that

statement. But before I review the process there is something else first to be said. Numerous references have been made in this debate to the effect that questions of constitutional principles and freedoms are discussed very generally by lawyers. In fact it has been said that this is nothing but legal quibbling. I am a lawyer and proud of being one, but it is not primarily as a lawyer that I speak to-night. I speak only as one who has been forced by the confusion of circumstances and political tradition to put off the following of the pursuit of law, to take part in what he conceived to be a struggle to preserve his liberty, and to preserve the right to follow that pursuit when and how he might wish. So speaking, there is no suggestion that there should be attributed to him as an individual any particular merit because hundreds of thousands of other Canadians have been in exactly the same position.

It is our belief that now that the struggle is over, now that the men who took part in it have returned to the street, now that Canadian men have returned to the Canadian scene, they should be entitled to speak for liberty. We believe that the average Canadian wishes to know what are his rights, how they are endangered and how he may protect them. We believe he is anxious now, as is shown by the press comments over the past few months, that having fought a war to preserve his liberty, that liberty should not be twitched from his back like a garment under the guise of clothing the federal executive which is already amply enough clothed. It is because we believe that the Canadian people are entitled to have defined for them in simple terms what are their rights and to understand the purpose of those rights that we speak to-night in support of this bill of rights.

As Mr. Winston Churchill said, "this is a war, viewed in its inherent quality, to establish on impregnable rocks the right of the individual, and it is a war to revive the stature of man." It seems to me that we would be found wanting now if, after the war is over, we were not to speak on behalf of liberty.

As I have said, the first reason for our supporting the bill of rights is that we think it is time the rights of Canadian citizens were defined in plain language and, second, that we think it is time that the loss of those rights, that the further whittling away of those rights be made impossible and that they should be restored in full and preserved forever. We feel strongly that the second ground justifies us in the stand we have taken. As I have said, if we review the history of the past few years we find support for our belief that those rights have been jeopardized.

I should like to trace in brief outline the recent growth of the oppression of the individual and the inroads which have been made upon constitutional safeguards. It is necessary to mention only three specific cases, because these three cases provide a compendium of the whole regrettable process.

First we have legislation by order in council instead of by parliament. Parliament was prepared to surrender certain of its prerogative controls over governmental activities during war time for the sake of expedition in carrying out war measures. But it is significant to note how rapidly advantage was taken of that initial surrender to multiply and broaden the controls and to instal controllers and other officials with powers quite as wide and in some cases even wider than those of the cabinet to whom the authority was originally delegated.

I can cite one regulation of the wartime prices and trade board, a regulation not an order in council, in which there are nine consecutive paragraphs where the ancient principle, which is perhaps one of the fundamental safeguards of the Canadian citizen, the principle that an accused man is innocent until he is proved guilty, is reversed. This series of provisions was apparently inserted for no other reason than to make easier the tasks of the board's investigators. As a result, every merchant has become suspect. He has but to have a charge preferred against him; he has but to have the finger of suspicion pointed at him by a government investigator to have the onus placed upon him of proving his innocence and of having it made necessary for him to bring forth details of his every act—it may be as far back as 1939—and to show that that act was an innocent act, was not an act which would involve him in guilt, instead of the position being that the investigator who makes the charge has to prove that some specific act falls within the category of the guilt alleged.

This may not seem to be a serious matter. But what it is doing is taking away from the Canadian citizen the right which he has enjoyed for hundreds of years, and placing him in the position of frequently being found guilty merely because he is suspect; not because a case is proved against him, but because he cannot prove his innocence.

Then we have the second instance of the iniquitous order in council that appointed an investigator to inquire into the Eldorado mines. Could there be any more deliberate attack on personal and property rights than this order in council which gives, not only to the commissioner appointed thereunder but to any investigator to whom he chooses to delegate his power, the right to enter, the right to search,

the right to seizure and confinement, the right to force a way into premises in order to confine property, books, accounts and papers. Section 4 of that order in council which was passed on September 5, 1945, after the end of both the Japanese and European wars, reads:

> 4. Any such investigator may authorize in writing under his hand any Royal Canadian Mounted Police officer or constable, or any police officer or constable or other person employed for the preservation and maintenance of the public peace, together with any other person named in such writing, to enter and search, if necessary by force, any building, receptacle or place, for books, records, documents or things which may contain or give information required for the purposes of the said inquiry, and to seize any books, records, documents or things and carry them before the investigator or such other person as any such investigator may direct, to be held for the purposes of the said inquiry.

Then, as though their powers were not wide enough, it was provided that, however erroneous their suspicion, however malicious their interference with persons or property and however damaging might be the consequence, physically or financially, of their activities, nevertheless the commissioner and his delegates were to be preserved above and beyond the reach of that law which, according to the provisions, they were empowered to break. Section 8 reads as follows:

> 8. No such investigator shall be responsible at law for anything done by him in good faith in the performance or purported performance of his duties as such investigator and no action shall be taken against any such investigator in respect of the performance or purported performance or the non-performance of his duties as such investigator.

Reading that order in council it is easy for one to see how the lust for power feeds on power and breeds contempt for ordinary and constitutional processes and for the established courts of the land. It is as though the minister, not satisfied with his own powers, would not rest until all his delegates were made dictators in their own right.

Finally we come to the secret and dread order in council passed on October 6 of last year. It is not necessary for me to dwell at length on this particular order or on the iniquities which followed. That has already been done by the hon. member for Lake Centre. The significant thing for the moment is the spectacle of a government, emboldened by its apparent success with each succeeding breach in the fort of constitutional freedom, indulging in the defence which it has made of its actions in thus gorging itself with power.

It is this feature of the trend which we have been discussing which has determined us in concluding that not another moment can be lost before making this effort to regain the lost ground and to preserve our rights to freedom by putting under it the sure and firm foundation of this bill of rights, defined in terms which the common man can understand and so that the common man may be able to know when those rights are placed in jeopardy. It may be said by some that perhaps such a written bill is not in the British tradition. We may be asked if we would have this government adopt the whole of the United States constitution. These questions can be faced confidently, and to those who may be inclined to raise them we would say it is well to recall that the United States constitution was written and the United States bill of rights adopted, one in the course of, and the other at the close of a long and bitter struggle against a cruel and oppressive tyranny.

Mr. MITCHELL: I thought the hon. member was going to speak of something that happened in this country.

Mr. FULTON: I will talk in a few minutes about something that happened in this country if the minister will restrain his impatience. Those words were used, Mr. Chairman, because it is evident on reading the history of the American revolution how the denial by King George III of the constitutional and traditional rights enjoyed by his British subjects in England to his subjects in America did constitute to those lovers of freedom a cruel and bitter tyranny. The same rights were at stake then as are at stake here: the right of the individual to habeas corpus, the right of every man not to be arrested and imprisoned without charge and without benefit of counsel and not to be questioned without a full and fair trial, and not to be transported or molested in his person save as a result of that trial. The denial of these rights is the subject of some of the most bitter and burning documents which form the history of the American colonies' struggle for independence. In fact it was the denial of these rights which led those free men to take a step which so many of them detested and which led them to the final irrevocable act of revolution. This was how they felt about freedom. It was these same men who, fresh from that struggle and still burning with the same intensity which moved them to embark on it, wrote into the pages of history that magnificent bill of rights which was to guarantee for their posterity the continuation of the constitution of freedom which they had founded before they started the struggle. We in Canada have not had that struggle. We have not had to fight

for our freedom within the country because as a result of the American revolution those in power in England were fortunately wise enough to see that the denial of civil rights and liberties could never again take place. Surely in this significant fact, lies the great reason why we Canadians have so far allowed this trend of the loss of our liberty to continue unchecked. Not having had the passionate struggle, we are not so quick to appreciate that the fruits of victory are being withdrawn.

I appreciate that the ministers opposite are anxious that we should come to grips with perhaps the crux of this matter, that is, particular features of their own administration wherein they have been guilty of these things that we have alleged against them. It is perhaps strange that a government should be so anxious to receive criticism. I shall not hesitate to point out the significant parallel between the action of the British parliament and British ministers and the action of our own ministers here. But before doing so, inasmuch as I am trying to make a case in support of the adoption in Canada of a bill of rights I am going to ask even this government to listen to some of the arguments which were advanced by those who felt that a bill of rights should form part of the United States constitution.

Very much the same arguments were advanced against the incorporation of the bill of rights into the United States constitution as have been advanced against the incorporation of a bill of rights into a statute of this parliament. I should like to quote from the arguments made by the one who was perhaps more responsible than any other for the declaration of American independence and did more than any other to secure the passage and incorporation of their bill of rights. His arguments are so cogent and so pertinent to the situation which now confronts this country that I am going to ask the house to listen to them. I regret that it is necessary to repeat them at some length, but the ministers will see their pertinence, I think, if they will but listen.

It was argued against the necessity of a bill of rights that the rights in question were reserved by the manner in which the federal powers were granted. Jefferson's answer was this:

> The constitutive act may certainly be framed so as to need no declaration of rights. The act itself has the force of a declaration as far as it goes; and if it goes to all material points, nothing more is wanting. . . . But in a constitutive act, which leaves some precious articles unnoticed and raises implications against others, a declaration of rights becomes necessary by way of supplement. This is the case of our federal constitution.

Secondly, it was argued against a bill of rights that experience proves the inefficiency of a bill of rights. Jefferson's answer was:

> True. But though it is not absolutely efficacious under all circumstances, it is of great potency always, and rarely inefficacious. A brace the more will often keep up the building which would have fallen with that brace the less. There is a remarkable difference in the inconveniencies which attend a declaration of rights, and those that attend the want of it. The inconveniences of the declaration are that it may cramp government in its useful exertions. But the evils of this are short-lived, trivial, and reparable. The inconveniences of a want of a declaration are permanent, afflicting, and irreparable. They are in constant progression from bad to worse. The executive in our government is not the sole, it is scarcely the principal, object of my jealousy. The tyranny of the legislatures—

Mark those words:

> The tryanny of the legislatures is the more formidable dread at present, and will be for long years. That of the executive will come in its turn, but it will be at a remote period.

It is surely obvious that that period has arrived and that the tyranny of the executive is now being seen in its most dread form.

In conclusion, I come to the question which the Minister of Labour was most anxious for me to discuss, how this is related to what is going on in this country to-day.

Mr. MITCHELL: I hope that my hon. friend is not referring to me as a tyrannical person. Just take a look at me.

Mr. FULTON: I do not think I shall do the Minister of Labour that honour at present, although I am not able to look into the recesses of his mind and I would not guarantee that he has not some such trait.

The parallel to which I referred between the American revolution and the present situation in Canada is significant. The American subjects of the then British parliament did not fail to draw to its attention in strong and dignified terms the denials of freedom that were being imposed, as they thought, in the name of the king by his ministers, nor did they hesitate to disclose what the effect of a continuation of these injustices would be. But the king was obsessed by his own power and his ministers dared not oppose him. His only answer was to repeat his actions and to follow injustice with ignominious contempt for the protestations of its victims. Surely the answers which have been given by our ministers in recent days are in very much the same tradition. Their answer is not only a dismissal of the attack, but a blunt and

plain statement that, were the conditions to repeat themselves, so would the actions be repeated. That is what the Minister of Reconstruction said in so many words during the last session with reference to the Eldorado order in council. At page 2260 of *Hansard* of last session the Minister of Reconstruction, when taxed with the unconstitutional aspect of the procedure, replying to the member for Lake Centre, said:

> My hon. friend can make the most of it; he can be as forensic as he likes. Nevertheless we have done what we believed to-day it was necessary to do.

And again:

> Perhaps the court will agree with the hon. member that we are acting ultra vires; perhaps not; but in any event, if I had to do it again I would do exactly the same thing.

In other words, the minister has stated there, in so many words, that no matter what the courts of the land may say with regard to his actions, he will pay no attention but will repeat his actions as often as the circumstances are repeated. It is in the record, and his words were echoed by the Minister of Justice in the course of this session. I would have preferred, and I believe the people of the country would have preferred, to hear the minister use rather the words of the elder Pitt in dealing with very similar circumstances when a commoner of England was on trial for acts inimical to the country. Pitt said on that occasion:

> My lords, for my own part, I consider this individual merely and indifferently as an English subject, possessed of certain rights which the laws have given him and which the laws alone can take from him. I am moved neither by his private vices, nor by his public merits. In his person, though he were the worst, I contend for the safety and security of the best; and God forbid, my lords, that there should be a power in this country of measuring the civil rights of the subject by his moral character or by any other rule than the fixed laws of the land!

It is because we see that principle departed from, and because we feel so strongly that the rights of individuals must be determined in accordance with the fixed laws of the land, that we have moved this amendment to have the rights of the subject defined and guaranteed for all time in Canada in this bill of rights.

Mr. LESAGE: The premises of the arguments put forward by the hon. member for Lake Centre and the hon. member for Kamloops, to which we have listened for over an hour, may be summed up, I think, in a very few words which were spoken the other day by the hon. member for Lake Centre at page 1146 of *Hansard:*

[Mr. Fulton.]

> The British North America Act contains no personal safeguards against unwise or discriminatory legislation that might be passed by federal governments.

I submit that what the hon. member said there is an admission that his amendment is wrongly proposed in a bill concerning Canadian citizenship. If the Canadian constitution does not contain sufficient personal safeguards, I suggest that the right move to be taken by the hon. members for Lake Centre and Kamloops would be to propose necessary amendments to the British North America Act and not to a Canadian citizenship bill.

The bill of rights of the United States, the Petition of Right, the Habeas Corpus Act and the Bill of Rights in England are part of the constitutions, respectively, of those countries. It is true that in England the three acts I have mentioned form a written part of the constitution, which for the most part is unwritten. As I have already said, if the hon. gentlemen consider that the constitution does not give sufficient personal safeguards to the citizens they should introduce an amendment to the British North America Act and not to this citizenship bill. Let us see what is designated by the pompous words "bill of rights" used by my hon. friends. I quote:

> 1. Freedom of religion, freedom of speech, and the right to peaceable assembly are assured.
> 2. Habeas corpus shall not be suspended except by parliament.
> 3. No one shall be required to give evidence before any tribunal or commission at any time if denied counsel or other constitutional safeguards.

They are very pompous words—bill of rights—for these few points. Are these the only rights pertaining to Canadian citizenship? What about all the other rights of Canadian citizenship as guaranteed by the constitution, by our own laws? They will not be deemed to be included in the certificate of citizenship? Why omit them? I will tell you why, Mr. Chairman. It is because this amendment is only a political move to try to embarrass the government with things of the past. Hon. members opposite have not lost an opportunity since this parliament met for the first time last year to talk about orders in council. I should have liked to have them sitting on this side of the house just to see what they would have done in the same circumstances when the safety of the state was in danger. I should have liked to see them here, but the people did not like to have them here, and therefore sent them to the other side.

What about the other rights that are guaranteed to us by our constitution, and what about minority rights? Why should they not be deemed to form part of the certificate

of citizenship? What about minorities? It is all very well to talk, as the hon. member for Lake Centre did, about the rights of minorities, but should not a large part of the majority cease ignoring the rights of minorities? It is about time. Last year in a speech I delivered I gave a few examples of the way in which our rights were ignored by the majority. What is the proportion of civil servants of French origin now in the civil service of Canada? That is not only an example, it is ample evidence, of the ignoring of the rights of minorities.

An hon. MEMBER: By your government.

Mr. LESAGE: It is not the government but the heads of the civil service and I should like to have an inquiry made. But it is done by a part of the majority. I do not say that all the majority refuse to recognize the rights of minorities, but too many of them do; and unless all the rights of every citizen in Canada are respected, and particularly those of the minority, there cannot possibly be any unity in Canada. I would ask the hon. member for Kamloops particularly to devote to this question the same amount of effort he gave to the study of French in order to be able not only to deliver an excellent speech in French, no, a speech in excellent French, but to try to convince some of his friends of the rights of the minority, as I know he understands them.

Unity in Canada is much more important than the manner in which some of the rights of citizens were mentioned by the hon. member for Lake Centre in a political speech. It is much more important to deal with Canadian unity in this house than with party politics and I ask the members of the majority to try to understand the feelings and the convictions of the minority. We are here in Canada the minority, and the general opinion of the minority is that there should be a greater amount of autonomy for Canada in the British commonwealth of nations. That is the general opinion.

We have no sentiment outside Canada. We are simply attached to our beloved country and our king, the king of Canada and not the king of any other country. I do not blame anyone, but I quite understand that a great number of the majority have sentiments toward another country. I do not deny them that right; far from it; but I would ask them, when we are discussing in this house the interests of Canada, to be good enough, for the sake of Canadian unity, not to give us arguments in support of the interests of any other country.

I shall give the committee an example. During the course of the discussion on the financial agreement with Great Britain too many members said that it was going to help Great Britain. I am stating cold facts now. Too many members said that. It had an immediate reaction on a great part of the minority who said: "Oh, they are doing this to help Britain; it is not in the interest of Canada." That is a fact which actually happened. The cause of it was a sentiment expressed by the majority, which brought about another kind of sentiment from the minority, and it was a natural reaction. So long as there is sentimentality on the part either of the majority or of the minority there will never be Canadian unity. There will never be Canadian unity until we get together and talk over matters in terms of Canadian interests only. I think that is our duty. We of the minority are on the dividing line. We ask you to meet us half-way because we are waiting for you with our arms outstretched.

The CHAIRMAN: Shall the amendment carry?

Mr. HANSELL: I am glad that your eye was this way, Mr. Chairman, in order that I might follow the hon. member for Montmagny-L'Islet, not that I agree with his speech but I agree with the sentiments that he has expressed, namely, that if we are to have a bill of rights let us have it in the right place. It would be a mistake for the people of Canada to assume that their bill of rights was composed of three small sections hidden away in the citizenship bill. I was simply going to agree with my hon. friend in that respect and say that the time has now come when a real bill of rights should be presented. It could work side by side with the citizenship bill, but that is neither here nor there. If we are to have a citizenship bill let us have a real one and let us put it in its proper place.

Mr. BENTLEY: I wish to ask a question before the amendment is put. I want the committee to understand that I am asking for information on a legal matter. It has no bias or political intent to it, but I want the answer from somebody who may be competent to give it. If this amendment carries and Canada becomes involved in a war, would this amending section prevent the War Measures Act from authorizing the government to act by order in council as it did in connection with the spy cases?

Mr. MARTIN: Perhaps the hon. gentleman will allow me to deal with his question later. At this time I wish to state the position of the government with regard to the amendment proposed by the hon. member for Lake Centre. May I first of all say to him that as

I listened to his speech, while I could not agree with all of his conclusions, I could not help feeling that I was justified to-night in telling him that I compliment him in large measure on the spirit which prompted him to make the proposal, although for the reasons stated by the hon. member for Macleod I cannot agree to accept it.

Before dealing with the hon. member, may I say that I was interested in the speech of the hon. member for Kamloops who argued to-night that the liberties of citizens are sacred. He protests against certain orders in council which, he says, infringe on the rights of citizenship. He says that this was an awful thing to have done. I wonder if I may suggest to the hon. member that his language to-night is, in the light of his language on other occasions, difficult to understand and hardly consistent, to say the least; for it seems from his statements thus far in this and in other debates that if orders in council suit his purpose he is all in favour of them. I refer to a statement he made at page 624 of *Hansard,* which reads as follows:

> The authorities for the orders in council themselves are contained actually in the War Measures Act and, since the first of this year, in the Emergency Powers Act. Most of the criticisms directed against the government for its policy are that this deportation is proposed to be carried out under order in council. It is represented to us that such a procedure is a horrible state of affairs; that to deprive people of their citizenship—that is the way it is put—by order in council is a hideous crime. I submit to hon. members that this is not a true picture. Most of the people affected are not citizens of Canada; that is the first thing.

And so on. He does not argue the merits of the case at all in the quotation to which I have just made reference. He discharges his conscience with the remark that most of the Japanese are not citizens. His words are clear and must leave upon us the implication that those who are can suffer.

Mr. FULTON: The minister is entitled to draw his own conclusion.

Mr. MARTIN: I refer again to another statement of the hon. member on the same page—

Mr. GREEN: I suggest to the minister that he read a little farther on.

Mr. MARTIN: At page 624 the hon. member said:

> That being the case, there is nothing horrible, new or deceitful in passing these orders in council.

Mr. FULTON: The minister should read what came before that.

[Mr. Martin.]

Mr. MARTIN: I am making my speech now. He continued:

> As I say, I feel that the reason is important to point this matter out is, to some extent, to combat the wave of hysteria and ill-considered agitation which is sweeping the country against these orders in council.

Surely these statements speak for themselves. The hon. member cannot be right to-night and be right on the occasions when he looked upon Canadian citizenship in the manner in which these two quotations suggest.

Mr. MITCHELL: How long ago was that?

Mr. MARTIN: I now come to the amendment introduced by the hon. member for Lake Centre. He has raised a matter that, as the minister responsible for this bill, I could not let pass without making some comment and stating at the outset the reasons why I am going to say I cannot accept it.

It should be pointed out first of all that the substance of the proposed amendment is already the law of this land. The matters to which he refers in abbreviated form are basic in the common law, in Magna Charta and in the Bill of Rights, which are the law of this country. These are basic legal concepts and are part of the law of Canada. They lie in the foundation of our whole legal system.

The amendment would provide no guarantees that do not now exist. No act of parliament can limit the action of future parliaments. The power of the governor in council cannot, under the law as it now stands, infringe any of the rights referred to in the amendment. Therefore any future infringements can only be under authority granted by parliament. We much hope that no such authority will ever be granted, but the point to note—and I call it to the attention of the hon. gentleman—is that no guarantee by action here will add anything to the guarantees that now exist. The only way whereby greater guarantees could be given than we now have would be by an organic law that could not be changed by the Canadian parliament. Let us examine the problem as stated by the hon. member. The type of organic law that would be necessary does not exist in our system, which is the British system. It is true that the United States constitution contains in its initial paragraphs a statement which might be called a bill of rights, but I would point out to the committee—and I am not saying this to be in any way disrespectful to a great and friendly power—that this document is an instrument of revolution. It begins with the following words:

> When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with

another, and to assume among the powers of the earth the separate and equal station to which the laws of nature and of nature's god entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

That, Mr. Chairman, is a declaration of independence on the part of the American people, which they rightly regard as an important historical document; but it is, as I repeat, a testament of revolution as well as a statement of grievances and of rights. A bill of rights for the Canadian people, as such, of course must differ widely both in concept and in implementation. It is true that in France they, too, have in their constitution a bill of rights, but it is an act which in no way deals with the matter of national status, but rather with the whole matter of civil liberties as concevied by the law of France. But I point out that only such organic laws which limit the capacity of the legislature or of parliament to act provide protection along the lines contemplated in the amendment. There are these famous words of Tennyson, which I think apply to this situation. Referring to Great Britain he said:

> A land of settled government,
> A land of just and old renown,
> Where freedom slowly broadens down
> From precedent to precedent.

That is the character of our system, the system I had in mind in using the words that appear in section 26 of the bill. That is the system which says it is not possible at any given moment to cover the whole ambit of future civil liberties, or even those liberties as they exist at the moment, in such a way that we may not lose any of their implications or endanger possible future important liberties. The best way to deal with them is the way they have been dealt with in our legal system within the commonwealth, by recognizing that these great unwritten powers are as effective in the implicit understandings of the law, rather than being set down categorically in the form of a completely written constitution. But the methods of protection of the individual under our system, based upon British constitutional tradition, are of a different order. The protection under our system depends upon two things: first, the guarantees provided by the common law and set forth in part in Magna Charta and the Bill of Rights; and second, the fundamental democratic tradition and the British operation of parliament itself. Those are the guarantees relied upon in our system, which the government believes to be the best way of guaranteeing the rights and freedom of the subject; for the fact is that while France, the United States and other countries have embedded in their constitutions specific bills of rights, I do not think we, as countries within the commonwealth, need take second place to any country in the world in the protection that historically and indeed currently is afforded to the subject. This was stated by one of the great French commentators on constitutional law, Professor Boutmy, who in his "Studies in Constitutional Law" at page 48 said:

> The French have sought for securities against change in giving prominence, splendour, and dignity to their constitutional documents. The English have found this security in the vagueness of custom, in the retiring and commonplace character of ordinary law, and in leaving their constitution without a name in the midst of a crowd of statutes. Each system has its theoretical advantages and disadvantages. When the balance is struck between the two, experience seems to pronounce in favour of the English system.

Apart altogether from the merits one way or another of the particular amendment, we cannot easily discard the impressive record of history in favour of the British system, as opposed to the continental system, as it is described by Main in his famous book. So that I say these are the guarantees that are relied upon in our system, which have stood the test of time; and if abuse does exist—I am not saying that it does or does not, because the merits of the particular grievance have nothing to do with this debate—the remedy lies not in adopting a course which other countries have found useful for themselves, but in following the course we have decided is best, by leaving these implicit both in the statute and in the common law. These have proved to be the most lasting and effective guarantees of human liberty the world has ever known, and I do not think we would or could gain anything by changing this basis unless we wish to swing over completely to guarantees through organic legislation of the type relied upon by other countries.

But supposing we do wish to change it. If we wished to go over to the organic law approach, certainly this is not the place to do it, as the hon. member for Macleod has said. In the first place, any such change would be a fundamental constitutional departure which should not be done in a subsection of a section which prescribes conditions for the issue of certificates; for even certificates of naturalization, while they have tremendous value, do not deal with the wide problem suggested in the hon. gentleman's amendment. If this house desired to make this change. should it not be done on the basis of a bill by itself, when all aspects could be considered and all the implications noted, a bill which would be the result of mature and care-

ful judgment? This parliament has ratified the charter of the united nations to which in general form are attached the kind of liberties which civilized men the world over want to see subscribed to and guaranteed in so far as that can be done by the new united nations organization. This parliament and this country are not remiss in their faith and belief in those great principles, only some of which have been outlined in the amendment, which are guaranteed and have been guaranteed for centuries by our courts and our system of government in a manner which I think can stand up against any kind of completely written system in any other part of the world.

Another point that has been forgotten by the hon. gentleman in this amendment is that it raises questions of provincial jurisdiction. The substance of the amendment deals primarily with matters of civil rights. These are within the jurisdiction of the provinces. In certain aspects the points concerned might come into the field of federal jurisdiction, but only to a very limited extent having in mind the particular subjects enumerated. So that there are provincial espects of the question which would have to be considered, and these should be examined with great care before any such action is taken.

But there is another great weakness in the amendment. I would point out that the guarantees contemplated in the hon. gentleman's amendment would attach to certificates of naturalization. In other words, they would go to naturalized persons but not to natural-born Canadians. Surely this is a mistaken approach. Surely a bill of rights, a statement of civil liberties, which deals with only one group of citizens and ignores the vast majority of the Canadian family can hardly be said to be an effective statement of civil liberties.

Mr. SMITH (Calgary West): You are being very technical there, are you not?

Mr. MARTIN: I am just dealing with the hon. member's amendment.

Mr. SMITH (Calgary West): But you are being very technical.

Mr. MARTIN: It is a very technical matter.

Mr. SMITH (Calgary West): Will you permit a question?

Mr. MARTIN: Yes.

Mr. SMITH (Calgary West): I am speaking for the sake of accuracy. The minister began by citing what one might call the preamble to the United States constitution. If my memory of history is not altogether off the line, the bill of rights became part of that at least two years later. So that in effect the preamble to the constitution had no effect whatsoever, because the bill of rights was an amendment to that constitution. Is that right, historically.

Mr. MARTIN: I think that is right.

Mr. SMITH (Calgary West): Yes. Then, of course, the preamble had nothing to do with the bill of rights which came in some years later.

Mr. MARTIN: Of course what the hon. member has said is historically true. But I do not see how it affects what I said. What I have said is that there are two techniques in the realm of political science by which civil rights are guaranteed. One is the system which seeks to codify those rights, and the other is the system which leaves them unrecited, in part, and leaves them to the protection of institutions of government, including the judicial process as well as to other arms of government.

Mr. SMITH (Calgary West): Will the minister permit another question?

Mr. MARTIN: Our experience has been—by "our" experience, I mean the system in common law countries—in common law countries within the British commonwealth that that system has been more effective in guaranteeing the liberty of the subject than any other system. That is the point I had in mind when I sought to indicate the differences between our technique, the non-written or partly written constitution, one relying upon the effectiveness of parliament, rather than leaving it to those who, at a given moment, seek to cover the whole ambit of human liberties.

I pointed out that the amendment ignores the vast majority of Canadian citizens, in that it deals only with naturalized Canadians, and I suggest, of course, that this is a mistaken approach. But if the clause would add any protection—and I am convinced it would not—then that protection should go to all citizens. It should not be for naturalized citizens only.

I have suggested that the amendment deals with too important a matter to allow it to become a subject for debate in an ad hoc way, with wide possibilities for misunderstanding. I have mentioned several reasons why the amendment should not be attached to the bill, and I would list them as follows:

(1) It simply restates what is already the law of the land.

(2) It would not, in reality, add any new guarantee, nor would it strengthen any existing guarantee.

(3) It would be a fundamental departure from British constitutional approach.

(4) There are aspects of provincial jurisdiction that would have to be given careful consideration in connection with such a matter.

(5) As now presented, the amendment would purport to extend guarantees to naturalized persons over and above those that apply for natural-born Canadians.

(6) Finally, a matter of such fundamental importance calls for specific action and, if desired—which I deny—for special legislation. A subsection in a bill of this nature, admittedly an important bill, is no place, as the hon. member for Macleod has said, to deal with a matter that has to do exclusively with the whole field of civil liberties, and not with the one aspect, namely that of the Canadian national status.

On balance, therefore, I feel that the suggestion, while it has been of value in putting forward what is in the hon. member's mind, and while it points to a matter of which we must continue to be aware, if democracy is to survive, cannot be accepted. It would be a mistake, in my judgment, to press the amendment in its present form.

There is no question that a bill involving national status is not a place to incorporate what the hon. member has proposed. But I would point out to him that, assuming otherwise, does he for a moment think he has dealt with those civil liberties which are now protected by our system? He has enumerated a few. What about the many others? The hon. member for Montmagny-L'Islet mentioned a minute ago one aspect of the problem of Canadian civil liberties not included in the amendment.

One might mention a whole series of liberties now guaranteed by our courts, now implicit in our constitution in this country and throughout the commonwealth, and in other common law countries. They are not enumerated in the amendment offered by the hon. member.

Therefore I say that while in one respect he has perhaps rendered the committee a service, for which I commend him—although I am not admitting his whole argument was relative to the principle of the bill—I must say for the reasons I have given his amendment cannot be accepted.

If, however, he doubts the power of what I am saying with regard to the force of leaving these rights implicit in the law, rather than trying to incorporate them exclusively in a written document, perhaps the committee will permit me to quote one of the greatest authorities on the constitution of British countries, that great and liberal-minded man, Edmund Burke, who made the following remarks in his famous speech on American Conciliation:

> As long as you have the wisdom to keep the sovereign authority of this country as the sanctuary of liberty, the sacred temple consecrated to our common faith, wherever the chosen race and sons of England worship freedom, they will turn their faces towards you. The more they multiply, the more friends you will have; the more ardently they love liberty, the more perfect will be their obedience. Slavery they can have anywhere. It is a weed that grows in every soil. They may have it from Spain, they may have it from Prussia. But until you become lost to all feeling of your true interest and your natural dignity, freedom they can have from none but you. This is the commodity of price of which you have the monopoly. Deny them this participation of freedom and you break that sole bond which originally made and must still preserve the unity of the empire. Do not entertain so weak an imagination as that your registers and your bonds, your affidavits and your sufferances, your dockets and your clearances are what form the great securities of your commerce. Do not dream that your letters of office, and your instructions, and your suspending clauses are the things that hold together the great contexture of the mysterious whole. These things do not make your government. Dead instruments, passive tools as they are, it is the spirit of the English communion that gives all their life and efficacy to them. It is the spirit of the English constitution which, infused through the mighty mass, pervades, feeds, unites, invigorates, vivifies every part of the empire, even down to the minutest member.
>
> Is it not the same virtue which does everything for us here in England? Do you imagine then that it is the Land Tax Act which raises your revenue, that it is the annual vote in the committee of supply which gives you your army? Or that it is the mutiny bill which inspires it with bravery and discipline? No! Surely no! It is the love of the people, it is their attachment to their government, from the sense of the deep stake they have in such a glorious institution, which gives you your army and your navy, and infuses into both that liberal obedience, without which your army would be a base rabble, and your navy nothing but rotten timber.

Yes, Mr. Chairman, Burke has stated the value of our technique, and I think he has given us a reason for continuing it, and for not meeting the proposal of the hon. member.

This bill of ours, to which the hon. gentleman has given such great commendation, about to be adopted by all sides of the house, seeks to establish in this country as the paramount status of Canadians the status of Canadian citizenship. It recognizes at the same time their common attachment to a common king. The bill seeks to deal with one important aspect, that of national status. This is not the kind of bill under which to deal with a matter involving something that is apart from the particular incidents and the particular purposes of the bill.

For this and these other reasons I say to the hon. gentleman I cannot accept the amendment. Assuming the method to be desirable, I do not believe this is the place to incorporate the proposal. I do not for a moment agree that the technique suggested is the way to deal with the matter. I say to the hon. gentleman again that we now have in our own law, and have had for centuries, the most effective means of dealing with the problem he has in mind.

Let us then pass this bill, seeking as it does to create what he and the house agree must be created, a feeling of common unity in this country. Let us deal with first matters first. Let us recognize that the great task before us is in this fundamental act of creating something that will give all of us the right to say with pride and with meaning, "I am a Canadian citizen."

Mr. DIEFENBAKER: Mr. Chairman, with much of what my hon. friend has said I am in agreement. He has quoted from Burke and he has told of the traditional liberties of the British peoples. He says that we have safeguards here in Canada which will ensure those liberties without a declaration by parliament at this time. He dealt with the unwritten British constitution and the benefits of an unwritten constitution. However, we in Canada have a written constitution, with the exception of those rights which he has referred to so eloquently this evening. I agree with him that so long as the subject has recourse to the courts, so long freedom and liberty will be maintained.

But have we those rights? Have we the right of recourse to the courts when it is denied under order in council? The right of habeas corpus was denied in 1945 under order in council. Where are those prerogative rights which were gained by centuries of sacrifice on the part of British peoples? Where were they in December, 1945, and January, 1946?

I am not going to enter into an argument with him as to whether this bill is the proper medium to have embodied these rights in order to ensure them, but I assert that oratory does not answer the conditions that have prevailed in this country in recent months. I quote, not from Burke of 1790 but from a Liberal newspaper of May, 1946, in regard to how liberty is being maintained in this country. I bring as witness into this house an editorial in the Winnipeg *Free Press* of May 1, 1946, which deals with the situation and answers my hon. friend in words which I could not hope to equal or emulate.

[Mr. Martin.]

Mr. MARTIN: That is where I got the quotation from Burke.

Mr. DIEFENBAKER: All I have to say is that my hon. friend did not quote from the issue of May 1, 1946. The editorial is entitled "Star chamber methods". I am not going to name the individual whose case is referred to, but these are the words:

> These are not methods of obtaining information from persons suspected of a crime which can be in any respect justified under British common law. But they are the methods of a police state. They are the methods of a country where individual liberty and individual rights are denied; where they are subject to the caprice and temper of a state which is prepared to reduce its citizens to slavery in order that its will might prevail.
>
> They are methods, in short, which are intolerable in Canada, and which must not be employed by the government.

That is the advice of a Liberal newspaper to the government of this country and is an answer to my hon. friend. My hon. friend pointed out how the traditional rights of Magna Charta would protect individuals in this country against acts of the crown. Here is what the *Free Press* says in that regard:

> The basic legal rights of an individual under Magna Charta must be honoured by a government which, for all its virtues, has been strangely lax in this respect.

Strangely lax. Apparently my hon. friend has not been following some of the orders in council, or he would not have been able to deliver the address which he did this evening as a member of a government that has been so unmindful of personal rights. Let me go on to the next quotation:

> The Minister of Justice must recognize that it is one of his most important duties to defend these rights, rather than to destroy them.

Those are the words of a Liberal press to the Minister of Justice who in his position as Minister of Justice has on occasion gone contrary to the principles which he avowed with such vehemence when he was president of the Canadian bar association.

Mr. FRASER: Let him laugh that off.

Mr. MACKENZIE: That is all you can do about it.

Mr. DIEFENBAKER: That is the attitude; laugh it off. That has been the attitude on the part of the government. That was the attitude of the Minister of Reconstruction when he used the words referred to a while ago by the hon. member for Kamloops. That was the attitude of the government in the

speech delivered by the Minister of Finance in regard to the unresponsibility of the executive to parliament. I read on:

> What was true in this case was true in the case of almost all the defendants in the current espionage trials.

My hon. friend spoke of the practice in Great Britain. Did anything like this ever happen in Great Britain? Was there ever a case where rights under the constitution were swept aside as they have been here? The editorial continues:

> Contrary to all practice under British common law, they were held incommunicado to the point where they could contact neither their lawyers nor their families.

Mark these words as an answer to the words uttered this evening by my hon. friend:

> They were subjected to star chamber methods that have been abhorrent to democratic peoples for four hundred years.

If I had used those words they would have been called partisan. Canada owes much to the press of this country. The press, regardless of political persuasion, has said to this government that it has gone too far and a halt must be called.

That is why the amendment was placed before the house. We say to the government in the amendment that it has gone far enough; that it has denied habeas corpus and defied democratic principles. The constitution and the unwritten rights of English common law have not been sufficient to protect the rights of the subject. Therefore parliament must speak.

Finally I quote the last paragraph of this editorial:

> These trials in so far as the preliminary investigations are concerned will be held by future generations as a dark episode in the history of the development of Canadian democracy.

Why did I introduce the amendment? In order to carry out the last two lines of that editorial, which reads:

> The public and parliament must see to it that they do not recur.

That is what parliament is for. Are we forever to sit here and allow invasions to take place of the rights of the subject such as have occurred in recent months and recent years? I am not going into detail, but as my hon. friend has raised the whole question I ask, what about the extradition agreement with the United States? It has not been brought before parliament yet because there were too many members of this parliament who were averse to the attitude taken by the government of making Canadian subjects subject to forty-nine laws in the American union, the laws of forty-eight states and of the federal congress. What about the use of the Emergency Powers Act? Parliament gave those powers to the government for economic reasons and the government used them to keep concealed the order in council of last October. The minister stated that they were passed under a secret order in council.

Mr. ABBOTT: Could we discuss citizenship for a change, Mr. Chairman?

Mr. DIEFENBAKER: That is citizenship, the right to those rights which my hon. friend has described so well, the right of recourse to the courts which has been denied over and over again during recent years. Have deputy ministers the right to govern the courts of this land? Let me quote from a letter that I received while I sat here this evening, in which counsel for the Department of National Revenue, in connection with charges laid in Saskatoon last week for infractions of the Income Tax Act, received instructions as follows:

> The action must not be withdrawn unless on instructions from this office under the conditions imposed at that time, and under no circumstances must a delinquent be committed to gaol unless on written instructions of the deputy minister.

I know that hon. gentlemen opposite say that rights are protected because there is recourse to the courts. But that recourse was taken away under the order in council mentioned. That recourse is taken away under many income tax regulations, and we have finally arrived at the stage in this country where deputy ministers issue instructions to a magistrate: You shall not impose any imprisonment without the consent of the deputy minister. Surely those great principles enunciated by my hon. friend should be lived up to in this country. That is the reason for the introduction of this amendment: to bring to the attention of the house the necessity of mobilizing opinion in this house to the end, in the words of the Winnipeg *Free Press*, that never again will recur in this country the denial of democratic rights; never again will the right to have counsel be denied; never again will individuals be denied that precious right of habeas corpus, without which there can be no freedom.

Progress reported.

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

Wednesday, May 8, 1946.

PRIVILEGE

MR. PROBE—REPORT IN OTTAWA "JOURNAL" OF PROCEEDINGS IN SPECIAL COMMITTEE

Mr. J. O. PROBE (Regina City): Mr. Speaker, I rise to a question of privilege affecting the carrying out of the obligations of hon. members who may be acting on special committees appointed by the House of Commons. This morning there appeared in the Ottawa *Journal* this little screed under the headline: "Answer for member cost $4,000 to get":

The war expenditures committee of the Commons—charged with watching for unnecessary expenses—was told Thursday—

Mr. SPEAKER: Order. Is the question of privilege raised by the hon. member based on a report made with respect to something which happened in a committee?

Mr. IRVINE: No.

Mr. PROBE: This is a report of the Ottawa *Journal* of this morning based on the activities of the special war expenditures committee.

Mr. SPEAKER: Order. The proper place for the hon. member to raise his question of privilege is in the committee. We could not hear the hon. member in this house on what happened in committee, because we have before the house no report from the committee.

Mr. COLDWELL: May I speak to a point of order? As I understand it, the hon. member is bringing up a matter affecting the privileges of a member of this house, and whether it appears in a reflection upon a committee set up by this house or not, it seems to me that the hon. member has the right to raise a question of privilege affecting himself at any time. I think the hon. member should be allowed to proceed.

Mr. PROBE: May I refer Your Honour to citations 192 and 198 of Beauchesne's Parliamentary Rules and Forms, third edition, which cover this point most specifically. I continue:

The war expenditures committee of the Commons—charged with watching for unnecessary expenses—was told Thursday one of its own questions to the army had cost about $4,000 for an answer.

Chairman Gordon Isnor (L-Halifax) gave that estimate as the three-inch thick reply was tabled for Captain John Probe (C.C.F.-Regina City).

Mr. SPEAKER: Order. It is against the rules of the house to quote from newspapers.

Mr. GRAYDON: Not on a question of privilege.

[Mr. Diefenbaker.]

Mr. COLDWELL: No, no.

Mr. PROBE: I am speaking to a question of privilege.

Some hon. MEMBERS: Mr. Speaker is on his feet; sit down.

Mr. SPEAKER: If the question of privilege is based on an article which appeared in a newspaper, I would ask the hon. member not to quote the article, as it is forbidden by paragraph 306, Beauchesne, second edition, but to state his question of privilege.

Mr. COLDWELL: He has to read the article.

Mr. PROBE: The obvious aspersion in this report is that a committee examining economies is itself asking questions that require huge expenditures of public money to answer. The facts as stated to the committee yesterday by the director of ordnance services, army, are that no additional help was employed by the army to provide the answer then requested, and was in effect—

Mr. SPEAKER: Order. I do not see any question of privilege in what the hon. member has said. If there is any conflict between what happened in the special committee and what was reported in the newspaper, I would ask him to make the protest before the committee.

Mr. PROBE: In paragraph 198 of Beauchesne's rules and forms the rule is explicit concerning the special committee of the House of Commons.

Mr. SPEAKER: Order. I am sorry, but I have given a ruling and the hon. member must accept it.

INCOME TAX

REFERENCE TO REMARKS OF MR. DIEFENBAKER IN DEBATE ON MAY 7

Hon. J. J. McCANN (Minister of National Revenue): Mr. Speaker, I wish to make a statement arising out of some remarks made by the hon. member for Lake Centre (Mr. Diefenbaker) as recorded at page 1315 of *Hansard*. The hon. member quoted from a letter he had received pertaining to charges laid in Saskatchewan last week for infractions of the income tax laws. The quotation was as follows:

The action must not be withdrawn unless on instructions from this office under the conditions imposed at that time, and under no circumstances must a delinquent be committed to gaol unless on written instructions of the deputy minister.

The hon. member has entirely misinterpreted the law. The situation—

Some hon. MEMBERS: Order.

Mr. McCANN: —may be described as follows.

Mr. GRAYDON: Is this a question of privilege, Mr. Speaker? The minister has no rights at all.

Mr. McCANN: Taxpayers in various parts of Canada—

Some hon. MEMBERS: Order.

Mr. HOMUTH: I rise to a point of order. A few moments ago we had a ruling from you, Mr. Speaker, and now we have a minister of the crown standing up and violating that very ruling. We want to know whether this is a question of privilege, and what is the question of privilege. The minister has no right to make a speech.

Mr. MACKENZIE: Listen to it.

Mr. HOMUTH: Oh, I have listened to you so long I am tired.

Mr. McCANN: Mr. Speaker, I have not asked permission to speak on a question of privilege. I asked permission to make a statement in order to clarify a situation which in my judgment has been misinterpreted, in order that this matter might be cleared up for the benefit of the public throughout the country.

Mr. GRAYDON: May I just raise this point, so that we may be perfectly in order in respect to a discussion of this kind. With great deference to the minister and to yourself, Mr. Speaker, surely this is a question which must come up in the ordinary debate on the citizenship bill, since the matter was brought up during that debate. The ministerial powers which the government are taking upon themselves to make statements in the house at various times are getting quite beyond the rules, and I do not believe they should be allowed to continue.

Mr. SPEAKER: The ruling I gave a few moments ago on a question of privilege applies to ministers just as it applies to other members of the house—

Some hon. MEMBERS: Hear, hear.

Mr. SPEAKER: —but the house will admit that it has been the practice at the opening of a sitting to hear statements by ministers of the crown.

Some hon. MEMBERS: No.

Mr. SPEAKER: Order, please. I must hear the minister first in order to see whether or not it is a question of privilege.

Mr. GRAYDON: He says it is not.

Mr. SPEAKER: Or whether it is a statement which should be allowed. Hon. members will agree that before giving a ruling the Speaker must hear what the minister or member has to say.

Mr. HOMUTH: I rise to a point of order.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I would ask hon. members to help the Speaker maintain the dignity and decorum of this house. They may be assured that I will give justice to both sides.

Mr. HOMUTH: In order to help you maintain the decorum of this house, Mr. Speaker, I rise to a point of order.

Mr. SPEAKER: Order. I would ask the hon. member please to resume his seat.

Mr. HOMUTH: Mr. Speaker, I have the right to rise to a point of order.

Some hon. MEMBERS: Order.

Mr. HOMUTH: I have the right to rise to a point of order. May I state my point?

Mr. SPEAKER: There is no point of order before the house just now. I have said that I will hear the minister first to see whether or not he is in order in making the statement.

Mr. HOMUTH: I object to any rule which stops me from rising to a point of order during debate in this house. I rise to a point of order, which is my privilege as a member of this house. The minister has stated—

Mr. SPEAKER: Order. I have already told the hon. member that there is no point of order before the house just now. The hon. gentleman may be sure that if he wishes to rise to a point of order later, I shall be very happy to hear him.

Mr. HOMUTH: Yes, when the minister has done what he wants to do, when he has his statement in the papers. I rise to a point of order now, as is my privilege.

Mr. SPEAKER: Order. I would ask the cooperation of the hon. member. He will understand that if the rulings of the Speaker are not respected, we shall not have any decorum, dignity or order in this house. I would ask him please to keep his seat, and he may be sure that if the minister is not entitled to make this statement he will be stopped in due course.

Mr. PROBE: Mr. Speaker, the rulings of the Chair must be supported by the house.

Mr. SPEAKER: I have already said there is no point of order before the house, so no hon. member should rise to a point of order. The minister has the floor.

Mr. McCANN: I have not contended, Mr. Speaker, nor do I now contend, that this is a matter of personal privilege, because my name as minister was not mentioned by the hon. member for Lake Centre. But it has been the custom of the house when an important matter, such as I contend this is, has to be dealt with, that a minister is allowed to make a statement. As a matter of fact on many occasions the leader of the opposition (Mr. Bracken) has been given the opportunity of making a statement. I would say that when I have completed my statement the very people—

Mr. BRACKEN: I was never given the right to answer questions raised during debate in this house, at a time when my statement could not be debated.

Mr. McCANN: I will say this, Mr. Speaker, that in my opinion when the statement has been made the very people who have objected to it will be glad it has been made in order to clarify a matter which has been the subject not only of criticism here by the hon. member for Lake Centre but of criticism and objection on the part of many people throughout the country.

Mr. COCKERAM: Mr. Speaker, will anybody be allowed to reply to the minister?

Mr. McCANN: In order that there may be continuity to what I say, I shall start again. The hon. member for Lake Centre quoted from a letter which he had received—

Mr. SPEAKER: Order. It was announced yesterday by the hon. leader of the house that Bill No. 7 would be considered this afternoon, so I believe the hon. minister will have an opportunity to discuss the matter when that order is called later to-day.

Mr. McCANN: I am quite agreeable to your ruling, Mr. Speaker.

Mr. SPEAKER: I would draw the attention of the hon. member who raised a question of privilege a few moments ago to Beauchesne, second edition, paragraph 306, which states:

> It is not in order to read articles in newspapers, letters, or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

I hope both sides of the house will now proceed to business.

Mr. STIRLING: On a point of order, would Your Honour be good enough to tell the house by what rule a minister can rise in his place and make a statement dealing with something pertaining to a debate? It has been stated more than once this afternoon that it has become a custom. I quite agree that it has, but I should like to know under what rule such a custom could have developed.

Mr. SPEAKER: I would answer the hon. member by saying that there is a very well known rule to be found in the rules and forms of the house which states that Mr. Speaker should not be consulted from the floor of the house.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF BUDGET TO RAILWAYS AND SHIPPING COMMITTEE

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, I wish to lay on the table the budget of the Canadian National Railways and the Canadian National (West Indies) Steamships Limited for the calendar year 1946. By leave of the house I move:

> That the budget of the Canadian National Railways and the Canadian National (West Indies) Steamships Limited be referred to the sessional committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

QUARTZ MINING

CLAIM STAKING PRIVILEGES—GROUPING OF CLAIMS—NON-FORFEITURE OF CLAIMS OF SERVICE PERSONNEL

Hon. J. A. GLEN (Minister of Mines and Resources) moved for leave to introduce bill No. 61, to amend the Yukon Quartz Mining Act.

He said: Mr. Speaker, under the present act the maximum number of claims that a person may stake in the same mining district within a period of twenty days is three. It also prevents the proper grouping of claims and prohibits a prospector from protecting an original discovery from encroachment by others. Many representations have been made to the department that the act be amended to allow, as in the province of British Columbia, a prospector to locate a limit of seven claims personally or by attorney in a twelve month period within a distance of ten miles of the original claim, thus permitting him to locate in all eight mineral claims. Sections 1 and 2 of the bill make provision for this.

Section 3 of the bill provides for the grouping of claims.

Section 4 of the bill adds a new section to provide permanent legislation in the place of the order in council passed under the War Measures Act exempting members of the naval, military or air forces from the provi-

sions of the act respecting forfeiture for non-performance of work or non-payment of assessments or rentals.

Sections 6 and 7 of the bill are changes which are necessary in order that the schedules may agree with the proposed new section 53.

Mr. ADAMSON: Are the claims of the same size?

Mr. GLEN: Yes.

Motion agreed to and bill read the first time.

PLACER MINING

NON-FORFEITURE OF CLAIMS OF SERVICE PERSONNEL—SMUGGLING

Hon. J. A. GLEN (Minister of Mines and Resources) moved for leave to introduce bill No. 62, to amend the Yukon Placer Mining Act.

He said: It is proposed that section 1 of the bill be added to the act in order to give the governor in council power to make regulations exempting members of His Majesty's air, naval and military forces from the provisions of this act respecting forfeiture for non-performance of work, on claims held by them at the time of their enlistment under this act, instead of having to rely on the authority of the War Measures Act. If this proposed amendment and a similar amendment to the Yukon Quartz Mining Act are passed, order in council P.C. 3136 of October 18, 1939 may be revoked upon the making of regulations under this section.

The necessity for the legislation set out in section 2 of the bill arises by reason of improvement in transportation facilities in the Yukon territory. It is now possible to leave the territory by one of several routes. This fact has increased the chances of successfully smuggling gold out of the territory. During the past three years there have been several instances in which gold has been so smuggled. The controller of the Yukon Territory and the Royal Canadian Mounted Police have asked that the act be amended to strengthen their hands in preventing this evasion of the law.

Motion agreed to and bill read the first time.

NATIONAL PARKS

ADJUSTMENT OF BOUNDARIES IN RESPECT OF CERTAIN SMALL AREAS

Hon. J. A. GLEN (Minister of Mines and Resources) moved for leave to introduce bill No. 63, respecting the boundaries of certain national parks.

He said: The purpose of this bill is to make minor adjustments in the boundaries of certain national parks to include small areas that have been acquired for park purposes, and in some instances to exclude small areas which surveys have disclosed are no longer required. The national parks to which areas are being added are Banff park, Riding Mountain park, Point Pelee park, Georgian Bay Islands parks and St. Lawrence Islands parks. In the case of Banff park and Riding Mountain park, two small areas have been excluded.

Provision is also being made for establishment of the legal boundary of Kootenay national park as a result of a legal survey having been made setting up the actual boundary of this park.

Mr. CHURCH: We would like to know about the boundaries of some of the parks in Ontario. We have none there. Ontario has been forgotten.

Motion agreed to and bill read the first time.

FEEDING STUFFS ACT

BAGGING OR PACKAGING OF WHOLE GRAINS AT STANDARD CONTENT WEIGHTS

Hon. J. G. GARDINER (Minister of Agriculture) moved for leave to introduce bill No. 64, to amend the Feeding Stuffs Act, 1937.

Some hon. MEMBERS: Explain.

Mr. GARDINER: This is an amendment having to do with the establishment of the weight of feed which is in bags when it is sold. This question has been up for some time and people have insisted on the weight of the feed being on the bag.

Mr. CHURCH: In the absence of the hon. member for Temiscouata, who is interested, I hope that this does not mean that there will be any more new poisonous gin put on the market.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

WAR ASSETS—EQUIPMENT FOR EDUCATIONAL AND INSTRUCTIONAL PURPOSES

Mr. FRASER:

What educational bodies in Ontario bought, or received, from the War Assets Corporation, equipment suitable for educational and instructional training purposes?

Mr. McILRAITH: The following educational bodies in Ontario have bought equipment and material from War Assets Corporation:

Alberta College, Belleville; Arthur Voaden Vocational School, St. Thomas; H. B. Beal Technical and Commercial High School, London; Brantford Board of Education; College du Sacre Coeur, Sudbury; Guelph Collegiate and Vocational Institute; Kirkland Lake Collegiate and Vocational Institute; Kingston Collegiate and Vocational School; London Board of Education; Maple Leaf School, North York; McMaster University; Canadian Vocational Training for Ontario Schools; Les Oblats de l'Universite d'Ottawa; Ontario Agricultural College; Ontario Department of Education; Ontario Veterinary College; Ottawa Public School Board; Queen's University, Kingston; Pelham Continuation School, Fenwick; Ramsay Township School Area Board, Almonte; Regiopolis College, Kingston; St. Catharines Board of Education; St. Mary's Collegiate Institute; Sarnia Collegiate Institute and Technical School; Toronto Board of Education; Toronto University; Welland High and Vocational School; Westdale Technical School, Hamilton; Western Ontario University, London; Weston Board of Education; St. Patrick's College, Ottawa.

The following educational bodies in Ontario have received, from War Assets Corporation, equipment suitable for educational and instructional training purposes under the policy of indefinite loan:

Ontario Department of Education, Sault Ste. Marie Technical and Commercial High School, Toronto Board of Education, Ottawa Technical High School, Ottawa Public School Board, Kitchener and Waterloo Collegiate and Vocational School, Kitchener, Peterborough Collegiate and Vocational School, Queen's University, Kingston, University of Western Ontario, London, Hamilton Board of Education, Kitchener and Waterloo High School Board, Collegiate and Vocational Institute, Board of the Township of Teck, Kirkland Lake, Guelph Board of Education, Galt Board of Education, Fort William Vocational School, Chatham Board of Education, Brantford Collegiate Institute and Vocational School, Sault Ste. Marie Board of Education, St. Thomas Board of Education, St. Catharines Collegiate and Vocational School, Sarnia Board of Education, Owen Sound Collegiate and Vocational Institute, Collegiate Institute Board of Ottawa, North Bay Collegiate Institute Board, Port Arthur Technical School, Board of Education for City of Peterborough, F. R. Close Technical Institute, Hamilton, Welland High and Vocational School, Weston Collegiate and Vocational School, H. B. Beal Commercial and Technical High School, London, Windsor-Walkerville Vocational School, Windsor, Brantford Board of Education, City of Oshawa Board of Education, Western Technical Commercial School, Toronto, Board of Education, Vocational School, Chatham, Arnprior High School, University of Toronto, Arthur Voaden Vocational School, St. Thomas, Kingston Collegiate and Vocational School, Collegiate-Vocational Institute, Niagara Falls, Stratford Normal School, Ontario Agricultural College, Guelph, McMaster University, Hamilton, Regiopolis College, Kingston, Kingston Municipal Board of Education, Cornwall Collegiate and Vocational School.

[Mr. Fraser.]

DEPARTMENT OF RECONSTRUCTION—DISTRICT SUPERINTENDENT, MONTREAL

Mr. DORION:

1. Has the Civil Service Commission called for applications for the position of district superintendent in the Department of Reconstruction, grade 4, at Montreal?
2. If so (a) on what date; (b) at whose request was such position opened?
3. Was it advertised as bilingual?
4. If not, for what reason?

Mr. MARTIN:

1. No.
2, 3 and 4. Answered by 1.

MOBILIZATION ACT—PERSONNEL AT PRESENT IN SERVICE

Mr. DIEFENBAKER:

How many N.R.M.A. men are at this date (a) in uniform in Canada; (b) overseas; (c) on extended leave?

Mr. LAPOINTE: (a) 10,452 (as of 15th April, 1946); (b) 3,342 (as of 15th April, 1946) including 96 in territories adjacent to Canada; (c) 1,905 (as of 15th April, 1946).

DESERTERS

Mr. DIEFENBAKER:

How many army personnel, by provinces, are listed at this date as (a) deserters; (b) absent without leave?

Mr. LAPOINTE: A soldier may be absent without leave for a period varying from a few hours up to 21 days, after which time he is considered to be a deserter. Particulars are not maintained of absences of less than 21 days' duration.

Statistics are maintained by districts of enlistment of army personnel over 21 days absent who are struck off strength as a result of a court of inquiry on the illegal absence.

These figures are as follows:

BY DISTRICTS OF ENLISTMENT AS OF APRIL 30, 1946

Military District	
1	867
2	1,515
3	509
4	6,855
5	3,468
6	196
7	314
10	686
11	529
12	304
13	403
Total	15,646

DEPARTMENT OF AGRICULTURE BUILDING, SASKATOON

Mrs. STRUM:

1. Is the federal department of agriculture constructing a building for the use of that department at Saskatoon, Saskatchewan?
2. If so, what is the cost of this building and for what purpose will it be used?

Mr. GARDINER:

1. No.
2. Answered by No. 1.

REVIEW OF COURT MARTIAL SENTENCES

Mr. DIEFENBAKER:

1. How many sentences of imprisonment passed by court martial on service men were reviewed by the committee or commission headed by the Honourable Mr. Justice Keiller McKay?
2. In how many cases reviewed were sentences (a) reduced; (b) remitted; (c) full pardon granted?

Mr. LAPOINTE:

1. The total number of cases reviewed by court martial board of review was 1,895. There is no statistical information available to show the review breakdown between sentences of imprisonment and detention.

2. (a) and (b). In military phraseology the terms "reduced" and "remitted" have the same meaning. In 1,730 cases remission of a portion of the sentence was recommended by court martial board of review; (c) the board had no power to grant full pardon.

WARTIME HOUSING LIMITED—CONSTRUCTION OF HOUSES AT BRANTFORD

Mr. CHARLTON:

1. How many houses were built or are under construction at Brantford, Ontario, by Wartime Housing Limited?
2. What was the cost of (a) land; (b) underground services; (c) roadways; (d) construction; (e) materials; (f) administration?

Mr. McILRAITH:

1. Built: 394 houses, 3 staff houses.

Under construction and practically complete: 6 houses.

2. (a) $20,349.71; (b) $150,452.10; (c) $21,299.49; (d) and (e) $1,577,342.11; (f) $671,835.31.

Note—the above five amounts are as of March 31, 1946. Item (f) includes operation of the houses.

VICTORY LOANS—EMPLOYMENT OF WILLIAM ROBERTS

Mr. LOW:

1. Was William Roberts of Timmins, Ontario, employed by the federal government, or by the victory loan committee in connection with the last four victory loans?
2. If so (a) in what capacity; (b) at what rate of remuneration?
3. What total amount did he receive for his services?
4. What total amount did he receive for expenses?

Mr. MAYHEW:

1. Yes.
2. (a) Chairman of unit public relations committee; (b) On a voluntary basis. His services were loaned to the national war finance committee by his employer, Hollinger Consolidated Gold Mines Ltd.
3. Nil.
4. $155.45 for expenses incurred in connection with the seventh, eighth and ninth victory loans.

EXPENDITURES OF BRITAIN IN CANADA

Mr. POULIOT:

Referring to the statement of the Minister of Finance, as reported at page 766 of *Hansard* of April 11, 1946,

1. On what basis did he arrive at calculating "the lower expenditures of Britain here" in 1947?
2. By "expenditures of Britain here" in 1947, did he mean Canadian exports to Britain?
3. How did he figure out that they will be lower?
4. What will the prospective "expenditures of Britain here" or the Canadian exports to Britain be in 1947?
5. Referring to his following statement, how did he calculate "a higher" level of British exports to Canada in 1947?
6. What will they be (a) in 1946 and; (b) in 1947?
7. What will cause the 1947 level to be higher than that of 1946?
8. What goods are expected to be shipped from Britain to Canada in larger quantity in 1947 than in 1946?
9. What goods are expected to be shipped from Canada to Britain in smaller quantity in 1947 than in 1946?

Mr. MAYHEW:

1. By discussion with the British authorities.
2. Yes, chiefly payments for goods exported from Canada to Britain but also payments for certain freight and shipping services, interest and dividends on British investments owned by Canadians, certain war services (in

1946 and earlier years), and certain other minor items such as the cost of British government representation and British travel expenditures in Canada.

3. This conclusion was arrived at by a joint examination by British and Canadian authorities of Britain's probable purchasing programme in Canada and Canada's probable ability to supply what Britain might desire to purchase. It is of course only an estimate.

4. United Kingdom expenditures in Canada during 1946 were estimated at $875 to $925 million, including $750 to $800 million for Canadian goods exported to that country. It is impossible to make a satisfactory estimate beyond the present year, but on the basis of the joint examination by British and Canadian authorities, United Kingdom expenditures in Canada during 1947 may be 10 to 15 per cent less than during 1946.

5. The British authorities stated that as they completed the process of converting their economy from a wartime to a peacetime basis and of diverting their manpower from the production of military goods to the production of civilian goods, they would be able to increase their exports to Canada as well as to other countries. These representations were accepted as reasonable by Canadian authorities. Actually British exports have been increasing encouragingly in recent months. The acute shortages of certain types of commodities in the Canadian as in most other markets should assure a demand for an increased volume of imports from Britain.

6. Imports from the United Kingdom may be of the order of $140,000,000 in 1946. It would seem not unreasonable to assume that they might increase in 1947 by as much as 20 to 30 per cent. In addition Canadians will make payments to the United Kingdom on account of freight, interest and dividends, etc., amounting to approximately $175 million during 1946.

7. Chiefly, an increase in the production of British goods for export purposes, based on the greater utilization of manpower, materials and plant facilities for the production of civilian goods for export; and, on the demand side, a condition of shortage in Canada for many types of commodities.

8. The more important examples will probably be woollen and worsted yarns and fabrics, cotton yarns and fabrics, pottery and chinaware, glass and coal, though the United Kingdom expects to be able to bring about a general increase in volume of exports.

9. Mainly food items. It is reasonable to assume that somewhat smaller quantities of food will be available for export from Canada during 1947 for various reasons, including greater consumption at home, and reduced stocks (for example, of wheat). In addition Canada may ship larger quantities of food to countries other than the United Kingdom as other trade channels are restored.

[Mr. Mayhew.]

TRAINING OF TEXTILE OPERATORS

Mr. ISNOR:

Is the government financially assisting by part time pay, or otherwise, in training textile operators such as (a) garment makers; (b) garment cutters; (c) pressmen; (d) leather coat stitchers; (e) machine operators?

Mr. MITCHELL: The dominion government has authorized training-on-the-job for ex-service persons in the following occupations: (a) garment makers; (b) garment cutters; (c) press men; (e) machine operators.

There is no specific record of (d) leather coat stitchers being trained on the job, but there are ex-service persons training under that scheme in the classifications of leather goods workers and leather coat workers.

The plan under which the government is assisting the above mentioned veterans is known as the "training-on-the-job" plan. During the period of training, a wage is agreed on, partly paid by the employer and partly by the dominion government. The proportion paid by each is adjusted from time to time, with the employer increasing his share as the trainee becomes more skilled.

TRADE OR APPRENTICE SCHOOLS

Mr. ISNOR:

Is the government of Canada, through the Department of Labour, conducting any trade or apprentice schools for (a) carpenters; (b) plumbers; (c) bricklayers; (d) electricians; (e) painters; (f) plasterers; (g) glazers; (h) sheet metal workers; (i) steamfitters?

Mr. MITCHELL: The government of Canada, in cooperation with the various provinces, is conducting apprenticeship schools for the following trades: (a) carpenters; (b) plumbers; (c) bricklayers; (d) electricians; (e) painters; (f) plasterers; (g) glaziers (included in painting course); (h) sheet metal workers; (i) steamfitters.

Schools are being conducted in all the above trades in all provinces except Prince Edward Island. In Prince Edward Island, although there is no apprenticeship act, classes are being held for carpenters, electricians, plumbers, steamfitters, and sheet metal workers.

SOLDIER SETTLEMENT—CONSTITUENCY OF PROVENCHER

Mr. JUTRAS:

1. How many soldiers settled under the Soldier Settlement Act after the last war in the electoral constituency of Provencher?

2. How many of those have clear title to their farm?
3. How many had to give up their land?
4. What is the average equity of those who are still indebted to the board?

Mr. MACKENZIE: I am informed that the hon. member has received the information and wishes this question to be dropped.

Question dropped.

HYTHE, ALBERTA, RURAL MAIL ROUTE

Mr. LOW:

1. Has the post office department called for tenders for the carrying of mail on the proposed rural route out of Hythe, Alberta?
2. If so, what steps are being taken by the department to establish this route?

Mr. BERTRAND (Laurier):

1. Yes, in November 1945.
2. No tenders were received, and matter is being left in abeyance pending receipt of a reasonable offer for the performance of the proposed service.

FEDERAL EMPLOYEES IN DAUPHIN CONSTITUENCY

Mr. ZAPLITNY:

1. How many persons residing within the electoral district of Dauphin are on the regular payroll of the federal government?
2. What are their names and addresses?
3. What are in each case their (a) duties; (b) salaries; (c) date of appointment?

Mr. MARTIN: I wonder if the hon. member would consider allowing this matter to stand, and perhaps I could discuss it with him? The reason I deal with the matter in this way is that to answer the question will involve a great deal of work. If the question is allowed in this particular case there would be no reason why it should not be extended to others. It may be possible to give the hon. gentleman what he wants in a manner that will not take up so much time of the commission staff which is heavily engaged at the moment.

Question stands.

QUESTIONS PASSED AS ORDERS FOR RETURNS

REPAIRS TO VESSELS

Mr. GILLIS:

1. Were any vessels repaired under E.R.A. contracts by (a) the Atlantic Spring and Machine Company, Limited; (b) Pushie's Machine Shop, Sydney, Nova Scotia, during the period from October 1, 1943, to November 1, 1945?
2. If so, what are the names of such vessels and the amounts paid the abovementioned concerns for these repairs?

DOCTOR DAVID SHUGAR

Mr. DORION:

1. On what date did Dr. David Shugar enter the civil service?
2. What was his previous occupation?
3. By whom was he recommended?
4. What was his occupation at the end of January, 1946?
5. What was his occupation on and after March 13, 1946?
6. Did he pass any civil service examination?
7. Did the Civil Service Commission advertise the position filled by Dr. Shugar?
8. If so, how were such advertisements made?
9. If not, for what reason?
10. Were applications received from other persons for the position later filled by Dr. David Shugar? If so, from whom?
11. Is he a Canadian by birth or naturalization?
12. If by naturalization, on what date did he obtain his certificate?
13. What were his qualifications?
14. Did anyone previously fill the position which he had on or after March 13, 1946?
15. If so, who, and when did such position become vacant?
16. If not, when was such position created?

Mr. MARTIN: Return tabled.

DESERTIONS—ABSENCE WITHOUT LEAVE

Mr. DIEFENBAKER:

1. How many prosecutions of army personnel, by provinces, have taken place (a) from January 1, 1945, to January 1, 1946; (b) from January 1, 1946 to date, for (i) desertion; (ii) absence without leave?
2. In how many cases, by provinces, were the penalties imposed (a) penitentiary sentences; (b) jail sentences; (c) fines, for the commission of each of said offences?

CIVILIAN CORPS OF CANADIAN FIRE FIGHTERS

Mr. KNIGHT:

1. Are members of the civilian corps of Canadian fire fighters liable for income tax on pay received while serving overseas?
2. Was any part of such tax deducted at the source at the time such pay was issued?
3. If not, why was it not deducted at the source?
4. Has income tax on such wages or pay been now paid by any members of the fire fighters corps?

RENTAL OF OFFICES IN EDMONTON

Mr. LOW:

What is the total of rentals paid by the federal government for offices in the city of Edmonton, during the period September 1, 1939 to March 31, 1945?

L. W. MOFFIT

Mr. POULIOT:

Referring to Mr. L. W. Moffit, civil service examiner:

1. What are his antecedents and what did he do before being appointed to the Civil Service Commission?

2. (a) Was he granted leave from his departmental work as civil service examiner, and (b) does he still occupy his office at the Civil Service Commission (Harris-Campbell building)?
3. Was he authorized to do an entirely different work from that of a civil service examiner and if so (a) from when, and (b) what is it?
4. Is he still being paid as civil service examiner for doing that different work and, if so, how much?
5. Did he receive anything for travelling or living expenses since the date above referred to, and if so, how much?
6. Since the date above referred to, was he allowed to have the services of one or several stenographers and typists and, if so, who were they?
7. Has he been allowed to use government stationery for his work?

Mr. MARTIN: Return tabled.

IMMIGRATION OFFICES IN EUROPE

Mr. PROBE:

1. What Canadian government or other Canadian immigration offices were in operation in Europe before the war?
2. What was the cost of operations of each of these offices for the last complete year of operation?
3. What offices in Europe are still in operation?
4. What offices have been closed?
5. What steps are being taken to reopen these offices?

FARM LOANS

Mr. THATCHER:

1. How many applications for loans have been received by the Canadian Farm Loan Board since January 1, 1946, for each province?
2. By provinces, how many of these loans have been approved?
3. By provinces, how many of these loans have been actually paid out by the board during the same period?
4. Have any special directives been issued by any government member or official, regarding the making of loans in Saskatchewan?
5. If so, what was the text of such directives?

RIDING MOUNTAIN NATIONAL PARK—FEDERAL EMPLOYEES

Mr. ZAPLITNY:

1. What are the names and addresses of all persons employed by the federal government in the Riding Mountain national park?
2. What are their (a) duties; (b) salaries?
3. What is the date of appointment of each employee and the period for which the appointment was made?

GOVERNMENT COMPANIES

OPERATIONS AND FINANCING—SUPERANNUATION AND PENSION PROVISIONS, ETC.

Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee at the next sitting to consider the following resolution:

[Mr. Pouliot.]

That it is expedient to introduce a measure to provide for the operation and financing of government companies, to define their status as agents to His Majesty, and to provide further for the superannuation, pension or other rights of the employees of such companies.

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

Motion agreed to.

BRITISH FORCES IN EGYPT

REPORT AS TO WITHDRAWAL—CONTROL OF SUEZ CANAL

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, before the orders of the day are called I should like to direct a question to the Prime Minister. It has to do with a matter of considerable concern to Canada. It arises out of a discussion yesterday in the House of Commons of Great Britain which centered around the announcement of the withdrawal entirely of all British forces from Egypt, which indirectly might weaken the control over the Suez canal as a commonwealth trade route. During the discussions Prime Minister Attlee is reported to have said that this decision was agreed to by the dominion prime ministers. My question to the Prime Minister is this: Did the Prime Minister and this government agree to this decision and, if so, what were the underlying reasons for doing so?

Right Hon. W. L. MACKENZIE KING (Prime Minister): First of all, let me make it perfectly clear that I have not seen the report to which my hon. friend refers, and anything I say must therefore be based on the assumption that the report is correct. My hon. friend said that during the discussion Prime Minister Attlee is reported to have said that this decision was agreed to by the dominion prime ministers; that the discussion centred around the government announcement which proposed the withdrawal entirely of all British forces from Egypt, which indirectly might weaken the control over the Suez canal as a commonwealth trade route.

If Prime Minister Attlee made the statement that the decision was agreed to by the dominion prime ministers, I presume that the prime ministers to whom Prime Minister Attlee was referring would be the prime ministers of Australia, New Zealand and South Africa, all of whom are especially interested in the Suez canal route. So far as Canada is concerned, I should like to say that we have not offered any advice whatever to the United Kingdom government on any aspect of these

discussions with the Egyptian government, nor have we been a party to any decision such as the one referred to by my hon. friend.

Mr. BRACKEN: Would the Prime Minister care to have a copy of the report?

Mr. MACKENZIE KING: I just wanted to make the position clear for the record. I am not questioning my hon. friend's point; I am protecting both him and myself in the matter of what has come across as a report. We have not the full text of the Prime Minister's announcement, and it is possible he may have indicated who the prime ministers were to whom he was referring as having approved the decision. My hon. friend's question related to Canada. I say that as far as Canada is concerned, neither have we been asked for nor have we given any advice on that question. We have not been a party to the decision.

Mr. BRACKEN: I can give the Prime Minister the report upon which my question was based, if he desires it. However, I think he has answered the question.

Mr. MACKENZIE KING: Perhaps this little discussion between my hon. friend and myself will help to illustrate the value of adhering to one of the rules in regard to questions. My hon. friend's question, in part, seems to relate more to the giving of information to the house than to seeking an answer to a question. All my hon. friend needed to have asked was whether it is correct that the Canadian government had agreed to this particular decision. I have just said to my hon. friend that I was trying to protect him and myself; I was not agreeing that Prime Minister Attlee had made the statement or that the statement itself is correct. Someone has been kind enough to hand me this moment a copy of the Ottawa *Evening Journal* of this afternoon, and the heading in broad type is, "Dominions not asked to agree on Egypt. Attlee apologizes for giving house wrong impression."

Mr. BRACKEN: In order that the record may be further clarified, may I say that what I said was that Prime Minister Attlee was reported to have said that this decision was agreed to by the dominion prime ministers.

Mr. CHURCH: Perhaps the Prime Minister will table all the correspondence on this matter, which I referred to before. Without this base and protectorate we would have lost two wars, and the British empire would be a body without arteries. They are necessary for the protection of our trade with the far east. We should have all the correspondence with Great Britain, Australia and New Zealand on this subject. I had intended to move the adjournment of the house on this question, because it is the most important matter we have had before us this session.

INDIA

INVITATION TO EXCHANGE OF HIGH COMMISSIONERS WITH CANADA

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question to the Prime Minister in his capacity of Secretary of State for External Affairs. It is a question I have raised twice before in other sessions but the matter now assumes an urgency which prompts me to raise it again. In view of the fact that decisions of far-reaching consequences to Canada and the empire are being made in India, will the government even at this late date consider accepting at once the long-standing invitation of India to exchange high commissioners, so that the senior dominion in the British Commonwealth may be on the ground to observe and to give every possible help in finding a solution to the problem of self-government for India?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, here again may I draw attention to the rules of the house with respect to questions to be asked. I refer to standing order 44 and the following citation No. 349, which appears there at page 113 of Beauchesne's Parliamentary Rules and Forms:

> The purpose of a question is to obtain information and not to supply it to the house. A question may not contain statements of facts unless they be necessary to make the question intelligible and can be authenticated; nor should a question contain arguments, inferences, imputations, epithets or controversial or ironical expressions.

I think my hon. friend's question contravenes that rule in every particular and detail. May I say to him, however, that the government shares the hope and expectation that there will be an exchange of high commissioners between India and Canada in due course.

Mr. GRAYDON: The Prime Minister's answer a year ago was just about in the same terms as it is to-day. I would ask him to be more definite with respect to the time. If there is some special reason why this matter cannot be discussed, that is another question; otherwise I think the house is entitled to a more definite statement.

Mr. MACKENZIE KING: I would rather refrain from being too definite in replying to my hon. friend if for one reason only, that in his question in connection with the exchange

of high commissioners between India and Canada he stated that the purpose would be for Canada's high commissioner to "observe and to give every possible help in finding a solution to the problem of self-government of India." When we appoint a high commissioner to India from Canada, I should not think it a part of his duties to enter upon a political issue that is one of the bitterest, in some particulars, as between parties in the United Kingdom and as to which there are some differences of opinion as between Great Britain and India and within India itself.

COAL

PRESENT AND PROSPECTIVE POSITIONS AS TO STOCKS AND SUPPLIES

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, will the Minister of Reconstruction make a statement to the house, either to-day or at an early day, on the coal situation in Canada? I believe that the matter is developing into what may be a very serious emergency, and a statement would be helpful.

Hon. C. D. HOWE (Minister of Reconstruction): The stoppage of work in the United States bituminous coal fields is having a serious effect upon the Canadian position, but owing to the fact that Canadian coal importers and industry usually carry substantial stocks, the impact of the stoppage is somewhat delayed. Imports of United States bituminous coal from April 1 to May 4 have been only 660,000 tons as against 1,915,000 tons in the same period last year. It is expected that substantial shipments will not be available from the United States for some three weeks after work is resumed in the mines. The supply position with regard to this coal is, therefore, in a serious condition.

Certain measures have already been taken by government to protect Canadian industry as far as possible. It is fortunate that many of our large industrial consumers have substantial stockpiles, and, apart from coke and gas plants, most of these large consumers have sufficient coal for two to three months' operations. Some of these industries, however, which have not established stockpiles, and have depended upon regular supplies from the coal docks, are in difficulties. Wholesalers' stocks on the coal docks are rapidly being depleted, and to protect these, a directive was issued by the coal controller on April 18 restricting supply from these stocks to that quantity sufficient for ten days' operation only.

The position of the coke and gas plants is causing concern, as their operation affects the householder through the supply of both gas and coke for domestic heating. A shortage of coal supply to these plants would reduce the quantity of coke available for house heating next winter. Action has been taken by the coal controller to direct supplies of coking coal from the eastern Canada fields to Hamilton to protect the operation of the coke ovens, and to direct supplies of similar coal from Nova Scotia to Montreal for the same purpose. Further supplies will be made available for this purpose as required. The coke ovens have also been instructed to reduce as much as possible their own consumption of coke for gas-making and thus conserve this coke for domestic use next winter.

Canadian railways are protected; they have over two months' supply of coal on hand in stockpiles. It should be remembered, however, that when these piles are depleted it will be difficult to rebuild them to an adequate position.

Canadian bituminous coal is at present available from western Canada and from Nova Scotia, in some quantity, on an emergency basis, to keep industry in the central provinces in operation on a possibly reduced scale. Coal control is ready to direct shipments of these coals where needed.

In the summer, unless production is resumed in the early future, the Canadian position will be very serious, and many industries will have to restrict the scale of their operations. Canadian coal production will be used to the greatest possible extent to alleviate difficulties as they arise.

Mr. LOCKHART: Do I understand the minister to say that there is no report on the anthracite situation at present?

Mr. HOWE: As my hon. friend knows, there is at present no strike in the anthracite field, but the deliveries of anthracite last year were far below Canadian requirements.

Mr. LOCKHART: They are worse this year.

Mr. HOWE: And they will be worse this year. I think the house may as well know that the prospects for domestic fuel next winter are more alarming than they have been at any time during the past several years. The coal controller is attempting to meet the situation in every way possible—by increasing shipments from western Canada of coal suitable for domestic use, by conserving, all possible production of coke for domestic use, and by attempting to procure a sufficient supply of substitute fuels. But I may say that, from my own point of view, I have been alarmed about the coal situation in other years at this time of year, but I am

much more alarmed this year about the supply of domestic coal for next winter than I was at any time during the war years. All I can say is that the government will bend every effort to obtaining fuel for its citizens next winter.

Mr. STEPHENSON: In view of the fact that all members have received considerable correspondence about the supply of coal in western Canada, and we are given to understand that we can supply all our needs from there, will the minister make a statement as to what is the actual situation?

Mr. HOWE: Western coal production is increasing. New mines are being opened up, some under the sponsorship of the government. Every available miner in western Canada is being employed, and the output there is very substantial. Throughout the war years Canada has never been able to produce 50 per cent of her coal requirements from domestic mines, and will not be able to do so this year, in spite of the increased production in western Canada and in Nova Scotia.

Mr. PEARKES: Only last week I was in the city of Nanaimo and attended a meeting of some of the miners. The great handicap to production of coal in that field is the shortage of miners. Can the—

Mr. SPEAKER: Order. The hon. member will understand that there can be questions, but not a debate.

REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. P. C. BLACK (Cumberland): Mr. Speaker, I would ask the Minister of Mines and Resources whether he has yet received the report of the royal commission on coal, and if not, when he expects to receive it. If he is unable to answer to-day, perhaps he would make inquiries so that he will be in a position to inform the house to-morrow when the report will be received.

Hon. J. A. GLEN (Minister of Mines and Resources): My colleague, the Minister of Reconstruction, will answer the question.

Hon. C. D. HOWE (Minister of Reconstruction): Mr. Speaker, I received notice of the question and have communicated with the royal commission on coal. I have received a reply from Mr. Justice McLaurin, as follows:

Dear Mr. Howe:

With reference to a prospective inquiry in the house as to when the commission's report may be completed, in the chairman's absence from the city, I am pleased to advise that substantial progress has been made in the last month or two, but some months are bound to elapse before the work nears completion.

As you understand, a review of the coal industry is one of recognized magnitude, and the commission is now doing its best to press the work to its earliest possible conclusion.

LUMBER

EFFECT OF EXPORTS ON DOMESTIC SUPPLY

On the orders of the day:

Mr. WILLIAM IRVINE (Cariboo): I wish to ask the Minister of Reconstruction a question based on reliable information which I have just received, that in the city of Prince George, where lumber is manufactured, there is not sufficient for local use. What action, if any, does the government propose to take with a view to checking the flow of lumber exports so as to retain sufficient in Canada for home use?

Hon. C. D. HOWE (Minister of Reconstruction and Supply): The policy of the government has been to maintain the flow of exports to historic markets. Throughout the war years we shipped to the United Kingdom, as we are doing now, the same quantity of lumber that was shipped to England in prewar years. We are doing the same to the United States, to Australia, and one or two other markets which have been our historic outlets for a good many years. The remainder of the lumber is being distributed in Canada. The proportion is about three-fifths for Canadian consumption and about two-fifths for export to historic markets. The distribution of the Canadian portion within Canada is organized on the basis of 1941 consumption, which we think is about as fair a method as can be devised, and every community in Canada is receiving its quota of lumber based on its consumption in 1941.

CANADIAN CITIZENSHIP

NATIONALITY, NATURALIZATION AND STATUS OF ALIENS

The house resumed from Tuesday, May 7, consideration in committee of bill No. 7, respecting citizenship, nationality, and naturalization and status of aliens—Mr. Martin—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: When the committee rose last night it was considering an amendment moved by the hon. member for Lake Centre, as follows:

That the following words be added to the section as subsection 6: "Such certificate of citizenship shall be deemed to include a Bill of Rights as follows:

1. Freedom of religion, freedom of speech, and the right to peaceable assembly are assured.

2. Habeas corpus shall not be suspended except by parliament.
3. No one shall be required to give evidence before any tribunal or commission at any time if denied counsel or other constitutional safeguards."

Mr. McCANN: Last evening, when this bill No. 7 was being debated, the hon. member for Lake Centre appeared to convey the impression to the public that the deputy minister or the minister directly or indirectly attempted to interfere with the magistrate in the carrying out of his judicial duty. In order to correct that impression I wish to put on the record what is the procedure with reference to the collection of income tax from delinquents:

The hon. member for Lake Centre quoted from a letter which he had received pertaining to charges laid in Saskatchewan last week for an infraction of the income tax law. The quotation is as follows:

> The action must not be withdrawn unless on instructions from this office and the conditions imposed at that time, and under no circumstances must a delinquent be committed to gaol unless on the written authority of the deputy minister.

I submit that the hon. member has entirely misinterpreted the letter. The situation in all these cases might be described as follows: Taxpayers in various parts of Canada, having failed to file their income tax returns at the prescribed statutory period, are advised of that fact by the inspector of income tax through the issuance of a normal letter advising the taxpayer that the return has not been received and that it should be filed and requesting him so to do. If this request does not bring in the return, then a further letter is sent in accordance with section 41 of the Income War Tax Act, which provides:

> If the minister, in order to enable him to make an assessment, desires a return from the taxpayer who has not made a return, he may by registered letter demand from such person such return.

The second letter is therefore registered and becomes a formal demand under the terms of the statute. If the addressee still persists in failing to file his return, then he is informed of his breach of the law and advised that he is liable to prosecution in the courts for failure. If this third letter does not bring the required return, an affidavit is prepared of the demand having been made in accordance with the statute, a legal agent is advised to take charge of the case, and an information is laid in the local magistrate's court wherein the charge of failure to comply with the law is set forth. The case in due course comes on for trial and hearing, and if satisfactorily proved the magistrate imposes a fine. It is not unusual for the magistrate to state, "The fine shall be.... (say $250) and on failure to pay.... (a term of imprisonment)." Thereafter if the delinquent fails to pay the fine imposed by the court he stands in jeopardy of imprisonment. The purpose of the last paragraph quoted from the letter of instructions to our legal agent is to preclude him from taking action by way of securing a committal order to have the delinquent imprisoned without first drawing the matter to the attention of the government through the deputy minister and bringing it under consideration as to whether such action should or should not be taken. Or again, the magistrate may impose a fine and say nothing about imprisonment on failure to pay the fine. If the fine is not paid, then the delinquent stands in contempt of court and the legal agent might, in the carrying out of his duties, move for a committal order in respect of the failure. Here again the paragraph quoted is to preclude the legal agent from taking such action without first drawing the matter to the attention of the government through the deputy minister. Hence the statement that the interpretation given by the hon. member is entirely erroneous.

No right whatsoever is taken away from the delinquent, nor could the letter be interpreted in any way as a direction to a magistrate to do this or that in the exercise of his judicial functions; quite the contrary. Whether the paragraph is worded appropriately or not, it is intended and does function to preclude such drastic action being taken without the matter being carefully considered, all the circumstances weighed, and a determination being made as to whether such action should be taken by a legal agent acting on behalf of the crown.

I think that the hon. member should not convey the impression to the public that any deputy minister, or minister, directly or indirectly, attempts to interfere with the magistrate in the carrying out of his judicial duties. I feel quite sure that the hon. member, in the light of this statement and the explanation back of the paragraph, will be willing to admit that that is so.

Mr. DIEFENBAKER: I presume the minister's statement calls upon me to say a word. Every statement I made has now been confirmed by the minister. The case in question was heard in Saskatchewan, where, as I am informed, a taxpayer had been found guilty and the magistrate imposed the penalty of a fine and costs, and in default imprisonment. The legal agent then produced a letter of instructions advising that under no circum-

stances must the delinquent be committed to gaol except on the written instructions of the deputy minister. I say, sir, that no deputy minister in this country has a right, once a person is placed in the jurisdiction of a court and a penalty imposed, to decide whether or not there shall be imprisonment without his consent or approbation. To say otherwise is to open the door to the nullifying of the rule of law. The statement I made last night was in accordance with the facts. I am glad to have the corroboration of the minister setting forth these facts. I now ask the minister to see to it that henceforth, once a deputy minister or any official has instructed prosecution, from that moment on the deputy minister or any official of the department shall have no further say in the disposition of the case.

Mr. McCANN: I will admit that perhaps the paragraph has been badly worded, and that it is now—

Some hon. MEMBERS: Oh, oh.

Mr. McCANN: Just a moment. Now that it has been brought to my attention and the matter has been given consideration it is intended to reword it to the following effect:

It is inappropriate for you (the legal agent) to take any action through the courts against the delinquent with a view to having him committed to gaol without first drawing the proposed action to the attention of this office so that the circumstances may be reviewed before such action is taken.

Mr. DIEFENBAKER: That is perfect.

Mr. McCANN: Perhaps that will meet the objection. I want to say to the committee, and to the hon. member for Lake Centre, that we are glad to have the suggestions and the cooperation of all members of the committee in order to carry out a very difficult task and to see that all people are dealt with equally before the law.

Mr. DIEFENBAKER: I thank the minister.

Mr. BOUCHER: May I, as one who has had five years' experience on the bench in a magistrate's court, suggest to the minister that he do not even send the letter he has now suggested. When a charge is laid in a magistrate's court based on an infringement of the revenue act, or for failure to pay income tax, the penalty is prescribed. In the course of administering justice the magistrate has authority, and almost invariably acts on that authority, to impose on a person found guilty a fine, and an alternative of imprisonment if the fine is not paid. The usual custom is to exact from the guilty person a fine or to commit him to gaol for failure to pay the fine. It is only on rare occasions that the magistrate will agree to give a convicted person time to accumulate money to pay the fine—to go out into the country and earn the money. The result is the magistrate states that the fine must be paid immediately or a term in prison served.

If an official of the Department of National Revenue, under the instructions of the deputy minister, presents the magistrate a letter at the time of the imposition of the sentence saying that he must not commit the individual to prison without the consent of the deputy minister, he is casting a reflection upon the magistrate in the exercise of his statutory duties. When the deputy minister or any official of the department issues instructions for a prosecution he should leave it to the courts to administer the law without suggestions or interference. If further action is taken because the magistrate has defaulted in his responsibility to collect the fine or impose a term in prison, then the department should interfere; but I do not think it would be proper or the part of discretion to issue amended instructions in this particular case, as the minister suggests. It should be left entirely to those appointed by law to administer justice without any instructions from the department.

Mr. McCANN: These instructions go to the legal agent, not to the magistrate.

Mr. BOUCHER: Or to the legal agent.

Mr. ST. LAURENT: Now that this incident appears to have been cleared up to the satisfaction at least of most of us, as to the propriety of giving instructions to an agent not to try to have a man committed to gaol for delinquency in paying income tax until the matter has been brought to the attention of the department, I may perhaps be permitted to try to clear up some other misconceptions which appear to have arisen in the course of this debate.

In discussing recently what has been called Canada's spy probe a magazine said that Canadian politics, always notorious for paradox, has lately developed a new one. I think the writer was rather modest and that more than one paradox has been lately developed; perhaps among the most surprising was to hear the minister-of-justice-designate in the Conservative opposition's shadow cabinet preaching so vigorously the principles of liberalism with a small "l", but with big outbursts of oratory and of rhetoric. It sounded strange to hear all the great freedoms for which Liberalism has always stood expounded with such accents of undying devotion: free-

dom of religion; freedom of assembly; respect for the rights of minorities; free access of lawyers to all possible prospective clients; free speech; free press—even, at one moment, hugging to his throbbing bosom the Winnipeg *Free Press.*

I am not rising to defend any departure from any of the rights and privileges of free men, but I do wish to clear up briefly some of the misapprehensions which hon. members on the other side of the house have been suggesting more than once in debates in this house, in their efforts to make it appear that this government is offending against the rights of free citizens and the rights of a free parliament. I think the hon. member for Swift Current (Mr. Bentley) put a pertinent question to which the Secretary of State, who had the floor at that time, deferred giving an answer. At page 1309 of *Hansard* the hon. member said:

> I wish to ask a question before the amendment is put. I want the committee to understand that I am asking for information on a legal matter. It has no bias or political intent to it, but I want the answer from somebody who may be competent to give it. If this amendment carries and Canada becomes involved in a war, would this amending section prevent the War Measures Act from authorizing the government to act by order in council as it did in connection with the spy cases?

I suggest that was a pertinent question; and I suggest that the hon. member for Lake Centre and other hon. members who are lawyers know very well that the answer must be in the negative. The inclusion of this amendment in the citizenship bill would do nothing more for the rights of citizens in this country than has been embedded in the constitution of the country ever since the treaty of Paris. Magna charta, the petition of right, the bill of settlement, habeas corpus—all are part of the common law which is embedded in the constitution of this country; and the writing of a few additional words into the text of this citizenship bill would not, and I do not think would be intended to, interfere with what might have to be done and what parliament might wish to have done by those having responsibility to it—responsibility of office and not just mere shadowy responsibility in a shadow cabinet—for the security of the country.

The War Measures Act was passed in this house in 1914. Hon. members know what party was in the majority in the house at that time, what ministry had real responsibility at that time, and what those who had real responsibility felt it was necessary they should do to discharge their responsibility for the security of the country. As a consequence the War Measures Act was passed in the second session of 1914, and has been left on the statute book ever since that date by parliaments in which there were ministries having real responsibility. I doubt whether any hon. member feeling real responsibility for government would ask that this statute be repealed. I hope, as we all hope, that it will never have to be invoked again; but until we are more certain than we can be at present of the success of the organization set up under the name of united nations, I do not think anyone feeling real responsibility would want to remove it from the statute book.

Those principles resulting from magna charta, from the petition of right, the bill of settlement and the habeas corpus act, are great and glorious privileges; but they are privileges which can be and which unfortunately sometimes have to be interfered with by action of parliament or action under the authority of parliament. It was for the purpose of enabling that to be done that those who had the real responsibility in 1914 proposed and had adopted by parliament the provisions of the War Measures Act. At that time there were those who felt that the act might not perhaps have the broad, sweeping effect it was intended to have. When outcries are made here about the removal of habeas corpus, hon. members seem to forget that habeas corpus was invoked against an order in council made under the War Measures Act; that the question became one of wide national interest, and that the decision given by the Supreme Court of Canada in re George Edwin Gray, reported in the 57th volume of the reports of the Supreme Court of Canada, settled for all time the controversy on that point. Mr. George Edwin Gray was not denied the issue of a writ of habeas corpus, but it was decided on the writ that he was legally detained under the provisions of an order in council.

Mr. SMITH (Calgary West): No one disputes that.

Mr. ST. LAURENT: This decision goes back to July 18, 1918. No one disputes that decision? No one disputes when it is mentioned that it happened, but many dispute the possibility of doing, without becoming a tyrant, that which was done in another case, namely, declaring that anyone detained under another order in council would be deemed to be in legal custody. Not only does the War Measures Act give authority to the governor in council to do these things which may become necessary, but those who belong to a ministry, having the real and not the shadow responsibility, feel that under that act of parliament they have not only powers but

duties to perform, and that responsibility for shirking those duties would be a serious matter. When parliament passed the statute it was not merely to give powers to a government; it was with confidence that the government to which those powers were being given would exercise them in such manner as the safety of the state might require. And had parliament not done that, every member of parliament would have had to feel that he himself, through his actions, had responsibility for doing those things for which, under the War Measures Act, he delegated to the members of the government in which the house had confidence and authority and responsibility of parliament.

It is all very well to say that it is a disregard of the great charters to detain or to interrogate a free man without a charge having been laid against him. I have already cited what parliament determined could be done, what was done, what was challenged, what went before the courts, and what was declared by the courts to be the things which under the statute could and should be done.

But even under the common law; all hon. members know the provisions of the common law with respect to coroners' inquests, when violent deaths are brought to the notice of the coroner. In Quebec we codify our laws. The civil code is a codification of all the private laws resulting from customs, precedents and practices. In Quebec they have codified in what is now chapter 22 of the revised statutes of 1941, section 38, a provision in regard to the exercise by the coroner of the common law power. It states:

> Previous to or during the inquest the coroner shall have full power to order the detention, with or without a warrant, of any person or witness whom he may deem necessary, and who, in his opinion, may fail or refuse to be present at the inquest.

Mr. COLDWELL: Was that power also given to coroners in the rest of Canada?

Mr. ST. LAURENT: That is the power exercised by coroners in the rest of Canada. It is the power resulting from the common law, but it does not rest on statute in the common law provinces. However in Quebec, in their effort to bring our practice into line with the practice resulting from the body of common law not codified, this is the way it was expressed. And it is well known with respect, for example, to the contention that no man should be asked before a public officer what his name is, unless he has a lawyer with him to tell him what answer he should make.

Mr. SMITH (Calgary West): Is the minister sure he is right in his statement of the law respecting coroners outside Quebec? With great respect, I do not think he is.

Mr. ST. LAURENT: I should not like to pose as an expert on the law outside Quebec; but I am saying that this was an effort made by the legislature of Quebec to have in statutory form what they conceived to be a common law rule. It is well settled by decisions that the coroner is not bound to allow any lawyer to attend his inquest, and that it is only to the extent to which he feels it would be conducive to the better administration of justice that the presence of lawyers is allowed.

Mr. SMITH (Calgary West): The reason is that the coroner cannot condemn anyone.

Mr. ST. LAURENT: Well, the debate has already lasted for some considerable time, and I am sure the hon. member will have plenty of opportunity to make his point. However, I was dealing with the suggestion that to have any free man detained or examined without a charge having first been laid against him was a dastardly disregard of the great charters. I thought the hon. member would recognize that in answering that objection I was answering objections made as to the conduct and course of the investigation by the royal commissioners, who have not, any more than the coroner, the right to condemn.

May I refer to other statutory provisions made by parliament in respect of possible restrictions, restraints or diminutions of the exercise, for reasons of state or for other reasons, of these privileges resulting from the great charters. Some of the matters dealt with in this bill are also dealt with in the Immigration Act. Let us see what is provided in that act, which is set out as chapter 93 of the revised statutes of Canada for 1927. I shall not take the time of the house to read the provisions contained in the Immigration Act. The series of events which took place in 1932 is still sufficiently vivid in the minds of those of us who have reached anything like my age, to make it unnecessary to refer to the dry statutory provisions. I would deem it sufficient to refer only to what was said in the house in May of that year with respect to the detention and whisking away from Winnipeg or North Bay, or other places, to Halifax, for examination before a board of enquiry, of certain persons who had been residents of this country.

I turn to page 2658 of the debates of the House of Commons for 1932 where, under the heading "Deportation Cases" a question was asked when the orders of the day were called.

The question, standing in the name of the then member for Winnipeg North Centre, the late Mr. Woodsworth, was this:

I should like to ask the Minister of Immigration (Mr. Gordon) when he will make a statement with regard to the arrest and threatened deportation of Daniel Holmes, Konrad Cessinger and Orton Wade of Winnipeg. There seems to be something curious about this case; a good deal is being made of it by the Winnipeg papers. I should like to know under whose authority these men were arrested and on what charge and where they are to be tried.

Then the Hon. W. A. Gordon, who was acting minister of immigration and colonization—a real minister, and a minister who was responsible for the administration of public affairs at that time, said:

I assume that the persons to whom reference has been made are persons being investigated under the provisions of the Immigration Act. Under this act a duty devolves upon the minister and the officers of the department to see that people in Canada who have no right to be here are investigated by a board of enquiry and their right to be in Canada reviewed. If it is found that they are undesirable and have no right to be here, or if for other reasons contemplated by the statute it seems that they should be returned to their country of origin, the appropriate steps are taken. There has been no change in the practice or policy of the department since I have had the honour of administering it, and the same practice has been followed for years. The provisions of the statute have not been changed in many years.

Mr. COLDWELL: When was that provision put on the statute book?

Mr. ST. LAURENT: I think it was 1920 that the provision which was then being applied was put on the statute book in the form in which it then stood.

Mr. COLDWELL: After the Winnipeg strike?

Mr. ST. LAURENT: Yes. In the same volume there is a further reference to this matter when, on the same day, a further question was put to the Minister of Justice of that time as to why he had signed any orders in that respect.

Mr. COLDWELL: Who asked the question?

Mr. ST. LAURENT: Mr. Woodsworth; he referred to this matter again, after the dinner recess. This was his question, at page 2683 of *Hansard*:

There is another matter about which I should like to ask, which we had up in the house today, that is with regard to men who are threatened with deportation. I think the Royal Canadian Mounted Police are concerned in this matter as well as the Department of Immigration.

He then cited a wire and asked on what authority the then Minister of Justice had signed a warrant which allowed men to be thus picked up or snatched away from their homes and taken to Halifax to appear before a board of inquiry which would determine whether or not they had the right to remain in Canada. Mr. Guthrie, in the course of his reply said:

If, in the opinion of the immigration department, men liable to deportation are not desirable subjects of this country, they may be taken into custody pending an investigation of their case. There have been many such investigations, but it does not follow that in every case deportation has followed. I assume the investigation is fairly conducted under the provisions of the law; I have not heard of any cases of hardship, nor have I had complaints of maladministration of the act. I assume in these cases the law has been complied with. If the men to whom my hon. friend refers have committed acts which render them liable to deportation, I have no doubt the provisions of the law will be carried out. If they have not, I do not think they have much to fear, outside of perhaps being put to some inconvenience.

Then lower down on page 2685 the then minister is reported to have said:

The act gives the department the right to hold boards of inquiry where they see fit, and I gather from what the Minister of Immigration has said that this board is being held in Halifax to suit the convenience—

The then minister finally said that when his intervention was requested it was done as a matter of official procedure. Two weeks later, on May 23, on a question again submitted by Mr. Woodsworth on the orders of the day, the report of which appears on page 3249, the matter was again discussed, Mr. Woodsworth saying:

It seems to me to be very unjust and heartless, especially in the case of those men with families, and perhaps the minister could give some information with reference to this case.

Hon. W. A. Gordon (Acting Minister of Immigration and Colonization): I have not before me the particulars of the case to which reference has been made, but I think the hon. member for Winnipeg North Centre is scarcely stating the position correctly when he suggests that people are being whisked away—if that is what he said—

An hon. Member: Snatched away.

Mr. Gordon: —snatched away from their homes and placed under arrest and tried. That is not the position at all. These sections of the Immigration Act under which officials of the department are functioning have been the subject of very considerable debate in this house on a number of occasions. Hon. members who were here in 1910 will remember the debate that then arose when the section of the act as it presently appears in the statutes was brought into being. And in 1919, as some hon. members will recollect, the act was twice amended, in the one session I believe. These amendments were the subject of a good deal of debate in this chamber on a number of occasions, and I believe amendments to the sections in question were passed twice by this chamber. I do not think the amendments received the approval of the other house. Then in 1928, the section as it presently stands, which is a reenactment of the

legislation of 1910, was passed by this house, and it sets out the method to be followed in connection with investigations in the cases of those who may be or may have been guilty of an infraction of this law.

These men are not snatched away from their homes; they are not under arrest, although they are in detention, it is quite true.

Mr. COLDWELL: Do I understand the minister is quoting these cases more or less to justify the present procedure; in other words, with the idea that one wrong justifies another?

Mr. ST. LAURENT: No; I am quoting these cases to show that this is nothing new, that under the authority granted by parliament there is at times interference with what would be the normal exercise of privileges of individuals resulting from the great charter. I quite admit that every time it is done the matter has to be justified on the basis of the case in which it was done.

Not only does parliament give the governor in council the power to do certain things and thereby, by implication, impose upon them the responsibility of doing what the circumstances may require, there are cases where parliament goes to the length of stating in explicit language that the governor in council shall do such and such a thing. The Immigration Act provides for prohibited classes, and section 3 reads:

> No immigrant, passenger or other person, unless he is a Canadian citizen, or has Canadian domicile, shall be permitted to enter or land in Canada, or in the case of having landed in or entered Canada shall be permitted to remain therein who belongs to any of the following classes, hereinafter called "prohibited classes":—
>
> (q) Persons guilty of espionage with respect to His Majesty or any of His Majesty's allies.

Section 42 provides:

> Upon receiving a complaint from any officer, or from any clerk or secretary or other official of a municipality against any person alleged to belong to any prohibited or undesirable class, the minister or the deputy minister or the commissioner may order such person to be taken into custody and detained at an immigrant station for examination and an investigation of the facts alleged in the said complaint to be made by a board of inquiry or by an officer acting as such.

The provision imposing a duty upon the governor in council is contained in section 9 of the Naturalization Act which it is also proposed shall be repealed by the provisions of this bill. This section reads:

> Where the governor in council, upon the report of the minister, is satisfied that a certificate of naturalization granted by the minister under this act or granted under any naturalization act heretofore in force in Canada has been obtained by false representation or fraud, or by concealment of material circumstances, or that the person to whom the certificate was granted has shown himself by act or speech to be disaffected or disloyal to His Majesty, the governor in council shall by order revoke the certificate.

That was passed by parliament. Not only does it provide that the governor in council can do it, it provides that in the circumstances related it would be the statutory duty of the governor in council to pass the order required. Then entering another field let us look at the Bankruptcy Act. Sections 127 to 138 provide that if a man becomes bankrupt and his creditors are disappointed at his allowing something to happen that was not intended to happen he can be examined under oath and asked to explain how and why some of his creditors are to be exposed to the loss of some dollars. Section 138 of the Bankruptcy Act provides:

> Any person liable to be examined under the provisions of the ten last preceding sections shall be bound to answer all questions relating to the business or property of the debtor, and as to the causes of his insolvency and the dispostion of his assets, and shall not be excused from answering any question on the ground that the answer may tend to criminate the person so examined.

Mr. SMITH (Calgary West): What statute is that?

Mr. ST. LAURENT: The Bankruptcy Act, section 138.

Mr. DIEFENBAKER: Is not the person who is being examined there entitled to the protection of the Canada Evidence Act?

Mr. ST. LAURENT: Apparently not.

Mr. DIEFENBAKER: Against the use of the evidence?

Mr. ST. LAURENT: I am not stating it as my opinion that he would not be treated in the same way, but parliament went to the length of saying that he would not be excused from answering questions about the reasons for his insolvency because he might thereby incriminate himself.

Mr. FLEMING: Will the minister not tell the committee that these examinations are carried on before a court officer and that the bankrupt always has the benefit of counsel.

Mr. ST. LAURENT: If it is a benefit, I assume counsel may be present. But the position is that the debtor is called upon to explain why it is that this situation of his which was not supposed to happen and which his creditors did not expect to happen, and which may cause his creditors to lose some one or more dollars did come about. It is not only the Canadian parliament that has made this provision because the Bankruptcy Act of 1914, chapter 59 of the statutes of the parliament of the United Kingdom of that year, provides in section 15 for a similar situation there.

Here we have a civil service; we have civil servants sworn to maintain secrecy about the affairs of the state. We got information that secrets of state which were supposed to be safeguarded by those civil servants had found their way into the posesssion of agents of a foreign country. Should we not have the right to ask those civil servants how that came about? Should we not have the right to ask them to explain how that came about? That is just as unexpected to the employer as the happening of bankruptcy is to the creditors of a trader. That also was provided for by parliament and parliament enacted the Inquiries Act. The Inquiries Act provides when and under what conditions a person being examined may have the benefit of counsel. Those sections which provide that the commissioners appointed under the Inquiries Act to make an investigation may, up to a certain point, allow those being examined to have the assistance of counsel and shall at a certain point afterwards, allow them to have the assistance of counsel, were put upon the statute books of this country by an act which was assented to on the 12th of March, 1912. Perhaps there are some hon. members who will remember which party had a majority in this house in the month of March, 1912, and who were those who had real responsibility at that time.

Mr. BENTLEY: It was not the C.C.F. party.

Mr. ST. LAURENT: No, I do not think the C.C.F. was known under that name at least at that time, but I suppose it does not matter very much what the name is. At all events I do not think it was the friends of the hon. member who made the interjection.

In 1939 there was, I suppose, a shadow government across the floor, but it is those on this side of the house who have to take the responsibility for proposing and having adopted a statute known as the Official Secrets Act. But parliament passed it.

Mr. COCKERAM: What date was that?

Mr. ST. LAURENT: In the month of June, 1939. Parliament passed it. I have not looked up the debates to see if it was passed on division, or on a recorded division, but I find it in the statute books as passed in 1939, providing for the repeal of sections 85 and 86 of the criminal code, which related to spying and which were not felt to be sufficiently workable to suit what appeared then to be something not too far in the offing. Parliament provided by section 10 of that statute, chapter 49 of 1939, as follows:

Any person who is found committing an offence under this act, or who is reasonably suspected of having committed, or having attempted to commit, or being about to commit, such an offence, may be arrested without a warrant and detained by any constable or police officer.

I am not free to discuss at this time what has been called the Spy probe. It is still a matter that is *sub judice*. The final report of the commissioners appointed to make the investigation has not yet been produced. Following that investigation and while it is still proceeding there are cases pending in the courts against former employees, civil servants, of this government, sworn to secrecy and through whom we suspect that official secrets which we know got into foreign hands did get there. But I can say that this criticism about the conduct of the government in connection with this unfortunate incident is a part of those attempts which have frequently been made here to create the impression that this government is offending against individuals and even against parliament itself, that legislation by order in council is something that should never be countenanced in a country which has the benefit of magna charta and the other great charters.

But when it comes down to some of these orders in council we find several members on the other side of the house supporting them and asking that they be applied and carried out. We find also that there is a wave of hysteria trying to be worked up against the making of such orders. I would commend to all those who deplore this hysteria the able argument made by the hon. member for Kamloops in discussing the orders in council dealing with the deportation of persons of the Japanese race. I do not know anything at all about the Japanese race. My fellow Canadians who have been in British Columbia claim that they know a lot about them, and they claim that because of what they know about them it is undesirable that they should be in this country and that all those who can be removed from this country should be removed, and that done as quickly as possible.

Mr. STEWART (Winnipeg North): Even if they are citizens.

An hon. MEMBER: You don't know the first thing about it.

Mr. BRYCE: We know as much about it as you do.

The CHAIRMAN: Order.

Mr. ST. LAURENT: But with respect to that I commend the argument made by the hon. member for Kamloops, in which he cited chapter and verse and text of the Immigration Act and the Naturalization Act which provided that this could be done, in some cases should be done, by the governor in

council, and called attention particularly to the fact that among the undesirables are those who, by the laws of a country at war with this country, are also subjects of the enemy country, and asserted—and I think he was fully justified in making the assertion—that subjects of the Japanese race naturalized here nevertheless by the laws of Japan remained subjects of the enemy country. Japan, though it has surrendered its armed forces to the allies, is still in the position of an enemy of this country. It is stated that even those born of Japanese parents in Canada are by the laws of Japan, Japanese subjects. There is something which raises a serious question.

It is unfortunate that questions of that kind should arise. It is unfortunate that there should be any civilized nation that cannot carry out to the full the spirit and the letter of articles 55 and 56 of the charter of the united nations:

55. With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the united nations shall promote:

a. higher standards of living, full employment, and conditions of economic and social progress and development;

b. solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

56. All members pledge themselves to take joint and separate action in cooperation with the organization for the achievement of the purposes set forth in article 55.

But human nature for a long time has been what it is to-day. The Samaritans of the days of our Lord were people with whom the Jews had no contact or no relations, and the parable of the good Samaritan gets its point precisely from the fact that the Samaritan was one despised by all Jews. Human nature is such that you cannot in an instant make it over; and it is difficult to conceive that a group of persons of the Japanese race, known as our hon. friends from British Columbia who have lived alongside of them say they know them, can become a part of a united community here which would respect to the letter every tittle of this undertaking we have pledged ourselves to carry out under the terms of the charter of the united nations.

I am not advocating that these people should be deported, but I am calling attention to the fact that there do arise situations where general principles have, for other reasons, to be excepted from, departed from, in some cases. It so happens that the War Measures Act is no longer applicable. Anything which might be feared from the exercise of undue authority under the wide delegation of powers from parliament contained in that act cannot happen now. I hope this country may never be in a position when it can happen again. But those who have real responsibility have to discharge such responsibility as results to them from the statutes in the form in which they are from time to time applicable and from the implied responsibility which they put upon those on whom they confer power.

The other paradox which this journalist, in describing the "spy probe" referred to, I think does pretty well characterize the situation. He says:

Liberals were not merely embarrassed, many of them were deeply distressed by the suspension of habeas corpus and the whole business of detention, interrogation and confession, with its strong odour of tyranny. Regardless of the guilt or innocence of the accused, many Liberals feel that the necessity of these extraordinary measures has not yet been demonstrated. And of the cabinet, they're inclined to blame the Minister of Justice for having hearkened too readily to the R.C.M.P. True, all the government did was carry out the recommendation of a royal commission, but Liberals have a sneaking suspicion that the recommendation might have been a little less drastic if it had met more opposition.

I do not agree, but I am not challenging anyone's right to hold that opinion.

An hon. MEMBER: What is the minister reading from?

Mr. ST. LAURENT: From the last issue of *Maclean's*: "Backstage at Ottawa, by The Man with a Notebook." I do not know who the man with a notebook is, but evidently he has seen what has been going on in the house.

Mr. SMITH (Calgary West): That is because he met the woman with a feather duster.

Mr. ST. LAURENT: He concludes in this way:

But don't let all the fuss about this civil liberty issue blind you to the fact that it's a purely parliamentary dispute. All parties in the house know that if, by any wild chance, they could have defeated the government on the question of its spy probe procedure, the government could have gone to the country and won a smashing victory.

This may be one reason why the other parties didn't mention the issue in their amendments to the address in reply.

My hon. colleague suggests I do not agree that habeas corpus was suspended. No; I stated on a previous occasion that habeas corpus was not suspended, but the order in council was such that when it was brought

before the court and an order in its terms produced before the court, the result would be what the result was in the Gray case, where the habeas corpus writ issued and where it was quashed when the order in council upon which the man's detention had been made was produced to the court on the return.

I have no quarrel with the Winnipeg *Free Press*. The *Free Press* has great traditions. It was my privilege to know and to be for a considerable time in the company of its late editor, that great Liberal, Mr. John Dafoe. I know how keenly he felt about this, and how strict he would have been in applying every tittle of that undertaking in the charter of the united nations. I know the respect which he enjoyed of those who have succeeded him, and I am not surprised that they should persist in that attitude. The respect we have for them does not make it necessary for us to share all their views, and need not blind us to the fact that there can arise situations, such as those which the hon. member for Kamloops dealt with so effectively in his argument, which must be taken into account in administering affairs for which one has any responsibility.

Mr. SMITH (Calgary West): I begin by adding my—

An hon. MEMBER: That's a joke.

Mr. SMITH (Calgary West): I might even try that; you cannot tell. I begin by paying my compliment to the hon. member for Kamloops. He must be in a strange position: praised by the Minister of Justice on Wednesday and damned by his colleague the night before. Thus doth politics strange bedfellows make. When one sees two ministers, one relying greatly on him and the other tearing him apart, one can see to what point certain people have been driven in supporting an impossible proposition.

I do not intend to follow the Minister of Justice seriatim in what he said. I am ready to agree with him that the late John Dafoe was a great man, but just what that has to do with this bill I do not know. Apparently the Winnipeg *Free Press* has been dexterized, or something of that sort since and it now occasionally takes a different point of view.

The minister read from the Bankruptcy Act, but he did not read from the Evidence Act, which I intend to do. Section 5 provides:

> No witness shall be excused from answering any question upon the ground that the answer to such question may tend to criminate him, or may tend to establish his liability to a civil proceeding at the instance of the crown or of any person.

The section which applies is that famous section 5, with which all lawyers are familiar, and which provides protection for the individual unless it be specifically taken away. It provides for the protection of the individual in giving evidence in other proceedings, and he is liable then only for perjury.

Let me go a step further with respect to the Bankruptcy Act because of some practical experience which I have had with it. Even though no protection has been asked for I know that the criminal courts in my province have refused to accept statements by a bankrupt pertaining to charges which were later laid against him. Therefore in that province at least we give him the usual protection.

The Minister of Justice said that if we can have creditors ask questions of a bankrupt—I am not using his exact words—is it not reasonable to suppose that when we had these employees—"we" being the government of Canada, I take it—and learned that they had given information to a foreign power could we not ask them about the matter? Certainly you could. No one has ever doubted for a moment the right of an employer at all times to ask questions of employees in such circumstances. But take a look at the man by the name of Shugar. This is not *sub judice* at the moment; it is a matter which has been disposed of. It is not merely a matter of asking questions of a suspected person. I hold in my hand a press clipping from the Ottawa *Citizen* of April 25. This is what he says:

> Kept in absolute ignorance of the reason for his arrest for the first three days of his incarceration, Dr. Shugar said he was kept under constant guard in a small, stifling hot room measuring nine feet by eight feet and in which a two hundred-watt lamp, completely unshaded, burned continually. This lasted for fifteen of the twenty-eight days he was held at Rockcliffe, he said.

From then on he went on a hunger strike, as we all know, and so on. That man appeared before the royal commission. He was charged. The evidence was all brought before the court and a magistrate of this city found what? He found that there was not even sufficient evidence against him to warrant a commital or being remanded for trial. What does that mean? In the language that a layman can understand it means that the crown did not produce sufficient evidence which, if unanswered, might lead a jury to convict. That in very simple and lay language is the rule which guides magistrates.

The minister then went back some years ago. I am quite sure he had some assistance in making the studies of *Hansard* when his party occupied the benches over here. I am quite sure he has had that, but it will be

observed that in each and every case he mentioned it took place in war time. These things were not done in war time. I believe the Gray case came up in Calgary in 1918.

Mr. ST. LAURENT: It was not the Gray case that was in *Hansard*. I referred to *Hansard* of 1932 and it had to do with a period when the same political party was in power.

Mr. SMITH (Calgary West): I realize that. I am going back to the Gray case. If I remember correctly, that came from my own home city. But these were all detentions under a statute. Let me go a step further. I am going to ask the minister this simple question. I appreciated the difficulty that he had when he spoke before. I appreciated his frankness in saying that it gave him very great concern indeed when he had the order made. In view of what happened since, does the minister not think it would have been infinitely better if the other side of his mind had prevailed and the orders had never been signed?

Mr. ST. LAURENT: The minister does not agree. He had to take a grave responsibility, but still feels that it would have been a greater responsibility, in view of the existence of provisions which enabled to be done that which was being recommended to him, to refuse to do it.

Mr. SMITH (Calgary West): Then why the reluctance to sign the order? The minister never had any doubt about it, apparently.

Mr. ST. LAURENT: I did give it serious consideration, because in my case at least when a serious matter has to be decided I do not just jump at the decision; I turn over the arguments for and against it and try to come to a reasoned as well as a reasonable decision.

Mr. SMITH (Calgary West): In other words, the minister does the same as everyone else tries to do in coming to a conclusion; he tries to give it some thought.

Mr. ST. LAURENT: Yes.

Mr. SMITH (Calgary West): With the great oration the minister made just now that is how he came to the conclusion.

Mr. ST. LAURENT: The hon. member was giving the impression that I never had any hesitancy about it.

Mr. SMITH (Calgary West): I thought the minister used the word "reluctance" some time ago. I believe he did. However, we shall let that part of it pass.

I shall now turn to the bill itself. The impression has been given that here we are doing something contrary to what has been done in the United Kingdom. I wish to clear that up by reading a short extract from the eleventh edition of the "Encyclopædia Britannica," volume III, page 943. The extract is headed:

Bill of Rights.

On February 13, 1689, the declaration of right was delivered by the lords and commons to the Prince and Princess of Orange, afterwards William III and Mary.

In December, 1689, the rights claimed by the declaration were enacted with some alteration by the bill of rights, next to Magna Charta, the greatest landmark in the constitutional history of England and the nearest approach to the written constitutions of other countries.

The reason I read that is this. We have been told that we have all these rights by common law, and so on; but in the mother of parliaments it is a matter of a statute, and has been so for one hundred and fifty years. I am not suggesting that the British legislation is in the exact form of the amendment moved here, but let us get away from this idea that there is anything wrong in putting in statutory form a bill of rights which, as far as personal liberty is concerned, is all the hon. member for Lake Centre has been trying to do.

I very much enjoyed the address of the Minister of Justice in which he poked fun at the hon. member for Lake Centre. I was glad the minister promoted the hon. member to be Minister of Justice, and I am inclined to think the promotion will become a fact perhaps just a little sooner than many of us anticipate. The minister being at the moment the substance and we the shadow, I am sure he will agree that when the hon. member for Lake Centre becomes the substance he will make a very fine minister indeed. I am sure everyone will agree with that. But all this amusement, which caused great applause from hon. gentlemen opposite; this statement that you are the substance and we the shadow simply amounts to this, that you are in and we are out. We know that, and quite frankly we tried to get in but failed. Is there anything more to be said about it than that? But it does not mean for one moment that, being the shadow, we here do not accept our responsibilities, particularly in public utterances about statutes of this country, just as seriously as anyone on that side of the house. Democracy means, of course, that you must have an opposition. I am sure the Secretary of State is grateful to hon. members on this side for two suggestions which he has adopted by way of amendment to his bill, one coming from this party and one from the hon. member for Winnipeg North.

I do say this, Mr. Chairman, and with it I am going to close. We on this side have

constituencies as well as hon. gentlemen opposite. We also try to represent all the people of Canada, just the same as hon. gentlemen opposite do. The newspaper which the hon. gentleman read said they would have won a wonderful or a smashing victory; and public sentiment at that time being uneducated and not knowing the facts, I believe there was some justification for that view.

Some hon. MEMBER: Oh, oh.

Mr. SMITH (Calgary West): That may be amusing, but I am just giving you a few facts. I am glad you are laughing over them and not crying; that time has not yet come. With respect, however, I say that we have advanced this suggestion seriously. We had hoped the minister would accept it. I know it is outworn, but we believed that in the so-called spy cases things were disregarded which should not have been disregarded. So that when this bill does pass we say, please believe that we have contributed our share. No citizenship bill should be political, and we here have not approached it in that way.

Mr. STEWART (Winnipeg North): Mr. Chairman, I always listen to the Minister of Justice with respect and admiration, but to-day he was disappointing. The mountain groaned in the pangs of birth and lo! a mouse was born. The right hon. gentleman gave me the impression of shadow-boxing, but he could not locate the shadow; his footwork was slow. The burden of part of his remarks was to the effect that there was nothing new in the interference by parliament with the citizens. That I concede. As far as these spy cases go, however, we are objecting to the interference with the citizen by the executive, without parliament knowing anything about the matter. However, I shall deal with that a little later on.

There is a confusion of thought among certain hon. members to my right which I should like to see cleared up. The hon. member for Kamloops, to whom I refer again, said yesterday in all sincerity, I take it, as reported at page 1304 of *Hansard:*

> We have always regarded ourselves as free men. We have taken it for granted that ours is a heritage of freedom. Ours is the proud attribute of those who can say, "We are free, and no man can impose on our rights unless we consent." That surely is one of the greatest possible attributes of Canadian citizenship.

I quite agree, but as far as I am concerned that applies to all Canadian citizens, no matter what their colour, their creed or their sex, and in the mind of the hon. member for Kamloops I do not think that does apply to all Canadian citizens. That is where the confusion of thought arises. In this party to my right are certain members from British Columbia who will wholeheartedly support the hon. member for Lake Centre in his justifiable demand for a bill of rights, and who then will turn around when we get to section 16 or so of the bill and demand that Canadian citizens be deported from this country. How can they reconcile this in their own minds? There is only one way of achieving some sort of reconciliation, and I put it up to the leader of the opposition. I hope this will be drawn to his attention; I do not see him in the house at the moment. I put it up to the leader of the official opposition that it is his responsibility to this parliament and to Canada to state explicitly the policy of his party in regard to the deportation of Canadians of Japanese descent. I want to know where we stand on this business of citizenship, because there has been a lot of hot air about it in this house. I want to know, too, where the Liberal party stands. The Minister of Justice said he was not advocating that the Japanese should be deported. What does the government advocate? We know what the Minister of Veterans Affairs advocates. We do not know what the Minister of Justice advocates. I think we know that the Secretary of State would oppose the deportation of Canadian citizens, if we are to believe his words as they appear in *Hansard.* All right, then; I think it is the responsibility of the government of Canada to state here definitely what is to happen to Canadian citizens of Japanese descent. Either this act of citizenship means something or it means nothing; and if it means nothing let us tear it up and stop wasting the time of this house and of the country.

I listened to the remarks of the hon. member for Lake Centre. I thought he put up an excellent case indeed, and no one could question his sincerity on the matter of fundamental civil rights or the rights of any citizens at all. But when he was asking for this bill of rights thoughts were running through my mind. Was he speaking for his party to-day? Had he forgotten the history of his party, how time after time it has taken away the rights of Canadian citizens? Might I remind him of what happened in 1919, before the Progressive Conservative party had its face lifted. I would remind the hon. gentleman that in that year Mr. Meighen, who was a member of the government and who afterward rose to the prominence of leader of the Conservative party, had to deal with a situation in Winnipeg known as the general strike. On one occasion during that strike ten Canadian

citizens were arrested, and what did Mr. Meighen do? He sent a wire to Winnipeg the contents of which were as follows:

> Notwithstanding any doubt I have as to the technical legality of the arrest and detention at Stony Mountain, I feel that rapid deportation is the best course, now that the arrests have been made; and later we can consider ratification.

That was the concept of justice, democracy, citizenship—call it what you like—of Mr. Meighen in 1919. A man would be arrested and thrown into prison; and after that the government would validate these actions. That was the time, may I remind the house, when the founder of the C.C.F., the late Mr. Woodsworth, was arrested. I believe I should tell the house, in the speech he made at Winnipeg, his actual quotation from Isaiah—and for this he was arrested and charged with seditious libel—was: "And they shall build houses, and inhabit them." I think that text ought to be given to the Minister of Reconstruction.

The Minister of Justice dealt with the amendments of 1919 to the Immigration Act. I should like to quote from page 4017 of *Hansard* for 1926 when my predecessor in the constituency of Winnipeg North, Mr. Heaps, spoke. Might I add that Mr. Heaps was one of those who suffered in 1919. In connection with the amendment to the Immigration Act he said:

> A bill which was introduced in this house which took away from a British subject the right of trial by jury, one of the foundation-stones on which the whole system of British jurisprudence has been built up in the course of many a century. Yet it received all its readings and was passed in the course of twenty minutes. The bill was passed in another house in an equally brief period. Its enactment into law therefore took only the short space of forty minutes. Under that act men in Winnipeg were arrested and were to be deported.

And Mr. Manion, trying to allot the blame fairly, said, as reported on the same page:

> In fairness to the Conservative members in this house, is it not true that in respect to that bill which my hon. friend says passed the house in twenty minutes—I was a member of the house at the time—there was not only no protest from the Conservatives, but no protest from the Liberals or the Progressives at that time?

You were all in it. All parties in the house took away the liberties of citizens in 1919. Have you changed so much in these intervening years? Are the faces so new, or are the names or the labels new? We have no guarantee at all that such a thing will not happen again, given another wave of hysteria in this country. That is why it is essential that, despite our common law, despite magna charta and habeas corpus we must have some protection for Canadian citizens in this country, and a bill of rights might perhaps give some protection additional to that which now exists.

Speaking in the debate yesterday, the Secretary of State quoted Tennyson:

> A land of settled government,
> A land of just and old renown,
> Where freedom slowly broadens down
> From precedent to precedent.

That poem referred to Great Britain. My colleague, the hon. member for Vancouver East, suggests that it be brought up to date, amended, and applied to Canada, in which event there might be a slight change:

> A land of settled government,
> A land of just and old renown,
> Where freedom slowly narrows down
> From order in council to order in council.

Mr. MARTIN: Not quite as good poetry as the one the hon. member quoted first.

Mr. COLDWELL: Not quite as good a poet, either.

Mr. STEWART (Winnipeg North): I should like to deal briefly with this order in council P.C. 6444. Here was a secret order in council under which the government arrested certain Canadian citizens. It has been said in the house that there were no such things as secret orders in council. The Minister of Justice said that he forgot—and I accept his word, without reservation whatsoever. He forgot. But how many lapses of ministerial memory will occur in the future? Furthermore, can we possibly legislate against such lapses, in the hope of securing safety for citizens in Canada? I doubt it very much.

These people were arrested and held in a barracks, as was pointed out by the hon. member for Calgary West. Some of them were held in a small room, with a bright light blazing on them all the time, day and night, although this was denied in the house, too. Well, if that is British justice, if that is Canadian fair play, I do not know the meaning of the words, at all.

I should like to remind the committee of what the Minister of Justice said when he was talking about coroners. He said that the Royal Commission had no more right than a coroner to condemn those in custody. But what were the words of those estimable gentlemen who make up this royal commission?

> We were not impressed by the demeanour of Shugar or by his denial, which we do not accept. In our view we think he knows more than he was prepared to disclose.

The magistrate said there was no ground upon which a prosecution could properly be

brought, and he very properly rebuked two of our supreme court judges. But these judges had already given their decision against this man whom the magistrate found innocent.

Of course we need some security for people in this country, greater security than I think this government is prepared to give us.

Another statement made last night by the minister was this:

> The protection under our system depends upon two things: first, the guarantees provided by the common law and set forth in part in Magna Charta and the Bill of Rights; and second, the fundamental democratic tradition and the British operation of parliament itself. Those are the guarantees relied upon in our system, which the government believes to be the best way of guaranteeing the rights and freedom of the subject.

That is lovely, but it means nothing. In the first speech I made in the house I directed most of my remarks to the Minister of Mines and Resources, who is responsible for immigration. I said then that the practice of this government so far as immigration was concerned was to have different classifications for citizens coming to this country. You had preferred types; you had non-prefererd types, and even those lower than non-preferred who could come in only under special permits—the Turks, Italians, Armenians and Jews.

When I hear a government espousing a citizenship bill, and asking that the rights and privileges of citizens be observed, while at the same time denying those rights and privileges in such a flagrant way, I have my doubts about the good faith of that government, even though I can accept the word of the minister. As a matter of fact, however, I do not accept the word of the government in this regard, because I believe they will flout democratic principles whenever they feel like it.

The Secretary of State, like the Minister of Justice, spoke of these great freedoms for which Liberalism always stood. Then the minister went on to mention the Japanese question, and showed how Liberalism had desecrated its own principles. I have asked the leader of the official opposition to make a statement of the policy of his party with respect to Japanese-Canadians. I should like to see the leader of the house do the same thing.

Before this debate is concluded I should like to hear the Minister of Mines and Resources tell the house that discrimination in connection with the immigration laws will no longer be permitted—or will this bill be just another pharisaical presentation to the house?

I would refer to a speech I made last September, when I asked that there should be a bill of rights. I had been in the house for only two weeks, and I was optimistic. I thought the Liberal government might possibly see some reason in a bill of rights. Now I admit that the possibility of amending the constitution is something more than remote, so that we shall have to incorporate such a bill of rights in legislation.

When speaking on second reading of this bill I said that we should have a bill of rights. When the hon. member for Lake Centre introduced his amendment I thought it was one I could support. But a more careful consideration of the matter and a more careful reading of his amendment convince me that it is one which I cannot support. It is not because I disagree completely with the principle contained in the words of the amendment, for I find myself in agreement with much of what is said; what I disagree with is the narrowness and restrictiveness of the amendment. A bill of rights surely cannot apply only to a small group of people in the community; a bill of rights should apply to every man, woman and child in the country. This amendment would have the effect of making its principles apply only to those who receive certificates of citizenship and, to my mind, that is too narrow and too restricted. It does not constitute a general bill of rights because of its restrictiveness, and on that basis I shall have to oppose it.

I think the hon. member for Lake Centre and I see eye-to-eye on many things in this bill. It is no secret that I intended to move an amendment to the preamble of the bill, where I thought such an amendment properly belonged. The amendment was to have been as follows:

> Whereas this act establishes Canadian citizenship it is deemed advisable to reaffirm the bases of that citizenship and to assert that the following rights shall belong to every Canadian and shall be held inviolate—the right to civil, religious and political liberty; the right to freedom of the person, of speech and associaton; the right to equal treatment before the law:

I would suggest to the hon. member for Lake Centre that he consider withdrawing his amendment and substituting the one I have just read. There would be nothing unusual in having such an amendment to the preamble. After all, we did a similar thing in connection with the united nations charter which we accepted last year by which we pledged ourselves to reaffirm our faith in fundamental human rights, in the dignity and the worth of the human person, and in equal rights for mankind. If it were agreed that such a declaration of faith be made to the world, then to that extent we should make the same affirmation of faith to the people of Canada.

Mr. COLDWELL: Reference has been made to the revocation of naturalization certificates which it is provided may be done through the courts or by a commission. I should like to know the position of a British subject by naturalization granted in Great Britain or in Australia or in New Zealand. Have we the right to ask the court here to revoke that naturalization certificate? Have we the right to revoke it ourselves?

Mr. MARTIN: Section 25 provides for their concurrence.

Mr. COLDWELL: I wanted to be clear on that. What we would have to do would be to consult the government of the United Kingdom, for instance, and if they concurred, then this action would be proceeded with?

Mr. MARTIN: That is right.

Mr. CHURCH: Mr. Chairman, while I will support the amendment moved by the hon. member for Lake Centre, I should like to point out an important historical fact. Last night the Secretary of State said that it is the law of the land at the present time. It is not the law of the land at the present time. The law regarding freedom is not based on the different charters we have had down through the ages, from the time of the famous man referred to by the hon. member for Davenport, Paul; we have had all these charters and agreements, but they do not mean anything.

The freedom of the world is dependent upon one agency and one agency alone. Modern and the greatest history writers, such as that great man who died the other day, who was a Gifford lecturer at Glasgow university, W. MacNeil Dixon, have acknowledged this fact, also S. L. Gardiner and H. A. L. Fisher. Freedom from fear, freedom of speech, freedom of religion and freedom of the seas are due to one agency alone, God's greatest gift to humanity, the British fleet. That fleet gave, by supremacy of the seas in the days of Philip, Louis XIV, Napoleon and twice during our own generation, these freedoms to the world. That fleet saved us from the awful horrors of the last war that we would have suffered had our land been invaded.

The amendment is a commendable one. The second point raised is that habeas corpus shall not be suspended except by parliament. I have introduced a bill to amend the Judges Act which would prevent judges from acting on these political commissions. I was out of the chamber last night for a couple of minutes when it was called again. In many police and other courts throughout the land soldiers have been tried without having counsel. This has happened notwithstanding what was said last year by the former member for Parry Sound and others about what the various bar associations were doing.

All the protection of the Atlantic charter and other paper freedoms that has been provided by this great agency is being thrown now at the Suez to the four winds of heaven. We are getting ready to give up the greatest base there in the world, a base which saved us in two great wars. The government has no policy. What is the use of talking about the freedoms of the Atlantic charter when the government has no policy of real consultation and cooperation, and is ready to throw these things to the four winds of heaven?

There are certain men in England who from their speeches in and out of parliament have said that the British empire, having fulfilled its mission, should pass away and be liquidated. Men such as Cripps, Morrison, Attlee and all the rest of them want to liquidate the British empire. I viewed with a great deal of alarm the Suez canal statement that was made this afternoon because it means danger for all our freedoms. The members of the Attlee government were wrong before and they are wrong now. There is only one way to protect our freedom, the use and maintenance of the agency which I have named, the freedom of the seas.

These are my views. They are sincere views which I have expressed consistently. I have said what I believe to be the truth. I have said it both in and out of the house. All the charters in the world will not secure our freedoms. This citizenship bill should be consigned to the archives, earth to earth, dust to dust and ashes to ashes, forever and forever, in the sure and certain hope that as far as hon. gentlemen across the chamber are concerned it will never be resurrected again because the people do not believe in it.

After all, citizenship is largely a municipal and provincial matter. Naturalization and immigration are under federal jurisdiction, but true citizenship belongs to the community in which one is raised. While I have respect for the views of other hon. members, these are the views which I have expressed at other times in the house. While I will support the amendment moved by the hon. member for Lake Centre, I believe what should be done is to bring in another bill. Here we have this citizenship bill introduced almost in the dying hours of the session, in the ninth week, just to mark time and hold up the important business of the house. This bill amounts to nothing, because nothing plus nothing equals nothing.

Mr. FULTON: Mr. Chairman, I am pleased that several references have been made this afternoon to my remarks with regard to the Japanese, because it allows a reference to them now to remove from the committee an impression which may have been left as a result of the extraordinary distortion of my statements which was made by the Secretary of State in his speech last night. He said, as reported at page 1310 of *Hansard,* after having read a statement of my own:

He discharges his conscience with the remark that most of the Japanese are not citizens.

The Secretary of State was asked by the hon. member for Vancouver South to read a little farther on, but this the minister refused to do. The purpose of the remarks which the minister quoted was to show that the steps proposed by the government under order in council were not steps against Canadian citizens. That was the whole case. Whether it be right or wrong is a different matter. My whole case was founded on the assumption that the Japanese dealt with are not Canadian citizens. The minister was pressed to continue the quotation but he did not, so that I will now complete the quotation for him by adding the sentences immediately following. After having said that most of the Japanese affected are not citizens of Canada, I went on to say:

They are not being deprived of their citizenship by order in council. I would be among the first to object to such a step.

But when the minister came to those two sentences, instead of reading them, he said, "and so on." I am not going to impute motives. I merely repeat the remarks now and draw attention to the fact also that therein may be found the answer to the question raised by the hon. member for Winnipeg North.

The second quotation from my speech that was made by the minister was taken from page 624 of *Hansard.* Again he was pressed by myself to give the whole of the quotation, but this he refused to do, saying "I am making my speech now." I submit, Mr. Chairman, that that is not strictly acurate, because the minister was making my speech—

Mr. DIEFENBAKER: Making it over.

Mr. FULTON: —and distorting it, or as my hon. friend, the member for Lake Centre says, making it over. I do not object to the minister reading a passage from my speech if he will read the whole of it.

Mr. HOMUTH: It might do him a lot of good.

Mr. FULTON: The remarks which I made, and which were not quoted by the minister, were based on my thesis that the people sought to be deported are not Canadian citizens. The minister just read those portions which suited his desire, and since he refused to continue the quotation when pressed to do so, I will now read it for him. I said, as reported at page 624 of *Hansard*:

I think hon. members and the people generally should bear this in mind also when dealing with this matter, that the weight of evidence is to the effect that many of the Japanese evicted by these orders of deportation were certainly not subjects or citizens.

That is the point I was trying to make, and that is the point I repeat here, that the government in these orders in council is not taking a step which affects the status of Canadian citizens. Therefore there can be nothing inconsistent in subsequently saying that the government must not in future take steps by order in council to affect the status of a Canadian citizen.

In case there should be any further doubt in the minister's mind, I should like to read my further words, which were equally available to the minister had he desired to present a fair picture to the committee. I said, as reported at page 1154 of *Hansard:*

I have asked continually that the members from British Columbia be given a fair opportunity to state their case against the Japanese in order that this parliament of Canada may decide the matter on principles of justice.

Those words speak for themselves and it is not desirable to enter into further controversy over this matter, though it should be said that I restrain myself from doing so only by the rules of the house forbidding me to impute motives to another hon. member.

Mr. COLDWELL: Mr. Chairman, I was hoping that the question of Canadians of Japanese origin would be discussed on another occasion and be decided by the house. I hope that the government will find some way of bringing the matter before the house so that there can be a completely free vote of the house on this question. I know perfectly well that there are hon. gentlemen on all sides of the house who feel that the bill as now redrafted with the amendment confirming certain orders in council will embarrass them perhaps more than they desire to be embarrassed.

I said that I hoped the Japanese question could be discussed on another occasion. My opinion, and I have stated it on a number of occasions, is this, that any person in this country who has been proved by the courts of this land to be guilty of disloyalty or sedition should be dealt with according to Canadian law and that we should not penalize a whole people on account of their racial

origin. I state that without fear of being termed anti-democratic, for I believe it is the democratic point of view.

I welcome this citizenship bill, not because I think it will do all that we desire, but because it is a step in the right direction. I am very much in support of the idea of incorporating in the bill something in the nature of an expression of the rights of a Canadian citizen. Like my colleague the hon. member for Winnipeg North, I was impressed last evening by the argument that this bill did not cover all classes of our citizenship and that a very large proportion of our citizens are not covered by the proposed amendment; that is to say, the native Canadian born. That, I think, is a grave defect in the amendment, which at first I was prepared to support.

I think the suggestion made this afternoon with regard to the preamble is a good one. The preamble, of course, is not a part of the statute, but none the less it serves to guide those who subsequently interpret the law. However, the difficulty that confronts one is this: If the amendment of the hon. member for Lake Centre is defeated, can a similar amendment be moved to the preamble? I am not sure as to the procedure. I do not want to risk losing the opportunity to incorporate somewhere in the bill an expression of the rights of a Canadian citizen.

As has been so often stated in the house during the past few days, there have been times when governments have seriously interfered with the rights of Canadian citizenship, and one of the reasons why I am in favour of a certificate being given to all those who come into this country to live here is that I think it is well they should have something to show that they are domiciled in Canada. During the debate to-day I was thinking of an old friend of mine who in 1919 happened to be a resident of Winnipeg. He was not involved in any way in the strike. One day the immigration authorities sent him a registered letter ordering him to appear to show why he should not be deported; he appeared, and he was told that he had been in some way implicated in the strike and that they had decided they were going to deport him. "But", he said, "I am an Englishman; I was born in England." Then he was told, "That makes it all the easier to deport you." Well, he went to a lawyer. The lawyer is still in Winnipeg, and my friend to whom I refer as a good friend is still living in Canada and, as a matter of fact, was a few years ago the highly respected member of a large city school board, an outstanding educationist, and subsequently chairman of that board. The lawyer said, "Have you not forgotten something?" He asked, "What have I forgotten?" "Some years ago", said the lawyer, "you wanted to vote, and they asked you for a birth certificate to prove that you were a British subject, and you could not produce a birth certificate." The reason my friend could not produce a birth certificate was that his parents had been immigrants into Great Britain; he happened to have been born shortly after they arrived and his birth was never registered.

Mr. MARTIN: There are thousands of cases like that.

Mr. COLDWELL: So the lawyer suggested to him that he apply for naturalization; and he got his Canadian naturalization papers. My friend, who has a keen sense of humour, received a notice that on a certain day he was to report at the C.P.R. station in Winnipeg. He did so; he was ordered into a room, and then the commissioner, who at that time I believe was Mr. Jolliffe—

Mr. MARTIN: And still is.

Mr. COLDWELL: —said to him, "You are going to be deported." Another man said to him, "What is your objection to going?" He said, "I happen to be an Englishman, born in England", and this minor official said to him, "Oh, well, we have got one of you Englishmen where we want you. You will go back to England." Then my good friend casually put his hand in his pocket and pulled out his Canadian naturalization papers. It was found that, with these papers, he could not be deported, and he went back home and stayed in Winnipeg.

This afternoon other cases have been mentioned. Another good friend of mine, English-born, was arrested and put in gaol. He even went to the expense of sending his family back to Great Britain. As a matter of fact, if I may divulge this, his son is at present acting as my secretary, and as a little shaver in England saw his father on the screen under arrest in the city of Winnipeg and called out in the theatre, "That's my dad".

I am glad that these certificates are to be issued to all our people. I know there is some objection to the five-year period for those who come from democratic countries with institutions similar to our own. I can sympathize with that feeling. We might perhaps have worded the bill that the application may be made within the five-year period.

Mr. MacNICOL: Or follow the Australian act.

Mr. MARTIN: The Australian act is the same as ours.

Mr. COLDWELL: These certificates will in my opinion, be of great value to people who come here from abroad. As one who was not born in this country but who became domiciled here by long residence, I should be proud, although it is not necessary for me to get such a certificate, that I had been able to get it within five years of having come to this country. I think those of us who were born across the seas in the old land would have been proud to have had something to show that we had been received formally into the Canadian family. To my mind, this objection to some of these clauses is more or less beside the point. It is not anything which reflects on the individual.

Mr. MARTIN: Can we not dispose of this section now?

Mr. COLDWELL: I would much prefer to see whether some solution could not be arrived at regarding the incorporation somewhere in the bill, either through the preamble or an amendment, embodying a statement of rights. I prefer it in the preamble. As I say, I do not want to lose the opportunity of someone being able to move it in the preamble on account of the loss of the proposed amendment, which, if I may guess the tenor of the debate, is certain to be defeated. I would like a little more time to consider the procedure, and therefore, Mr. Chairman, with your permission I should like to call it six o'clock.

Progress reported.

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

Thursday, May 9, 1946.

The house met at three o'clock.

JAPANESE NATIONALS

ANNOUNCEMENT OF MOVEMENT OF FIRST GROUP FROM CANADA TO JAPAN

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, because of the general interest in the matter I thought I should inform hon. members that definite arrangements have now been made for the movement of the first group of Japanese nationals from Canada to Japan. The group being sent consists of those who elected to be repatriated to Japan and who have not asked that their requests be cancelled; in other words the group being dealt with at present are those who have asked for the privilege of returning to Japan, and who are being assisted to go. The details of the arrangement I think are well known to hon. members.

In the class I have been speaking of will be those who are perfectly satisfied to be repatriated to Japan, and it is anticipated there will be approximately 1,500, including men, women and children. Most of them are coming from the settlements in the interior of British Columbia, but a few are coming from Alberta and Manitoba and some who have been in internment camps at Angler, Ontario. All arrangements have been made for the movement to Vancouver, and it is anticipated the first boat will leave Vancouver on May 28, carrying some 680, while the second boat will be leaving about the end of May carrying approximately 900.

While on the subject I might say that we will defer deportation proceedings pending the decision of the privy council, to which authority the case has been appealed. The department is proceeding as rapidly as possible with the dispersal of others to various parts of Canada, seeing to it that only a limited number are sent to each place and emphasizing placement in agriculture or lumbering or logging.

Mr. JOHN BRACKEN (Leader of the Opposition): The minister has indicated that about 1,500 are going in these two boats. Would he advise us how many Japanese indicated their willingness or their desire to go, in the survey made some time ago by the government?

Mr. MITCHELL: I was looking at the figures yesterday, and speaking from memory the number is just over 10,300.

CONFERENCE WITH PROVINCES

MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31—RULED OUT OF ORDER

Mr. M. J. COLDWELL (Rosetown-Biggar): Under standing order 31 I beg leave to move the adjournment of the house, Mr. Speaker, on a matter of urgent public importance. News reports since we adjourned last evening indicate that the Prime Minister is to leave almost immediately for London to confer with Prime Minister Attlee and other commonwealth prime ministers regarding matters of common interest. The failure of the dominion-provincial conference to reach agreement regarding urgent domestic problems, and the immediate necessity of reaching agreement with such provinces as are prepared to accept proposals

for the general well-being of Canada, demand an explanation by the Prime Minister and consideration by the house. I therefore ask leave to move the adjournment in order that we may have an opportunity of discussing this matter before the Prime Minister leaves for Great Britain.

Mr. SPEAKER: Having considered the hon. member's motion, I regret to say that I do not see any urgency in the matter, and I therefore declare the motion out of order.

Mr. COLDWELL: Mr. Speaker, in view of the fact that the Prime Minister will be absent from the country, and the necessity of coming to some understanding regarding these matters, if I may so I think a discussion of the subject is urgently necessary. However, if that is Your Honour's ruling, may I suggest to the Prime Minister that a statement be made to the house and an opportunity given for discussion before he leaves for Great Britain. If that is the alternative, then I would suggest it.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say at once to my hon. friend—if I am not speaking at the wrong point of proceedings as set out on the order paper—that, as he is aware, the conference with the provinces is adjourned sine die. It is adjourned on the understanding that the Minister of Finance, in the preparation of his budget, upon which he is engaged at the present time, will take full cognizance of the representations made during the course of the conference. He will make a statement to the House of Commons as to the course which, in the light of these discussions, he thinks it most advisable for the government to follow.

I submit it would be prejudicial to the Minister of Finance, in the statement he may wish to make, were I to attempt to review the conference proceedings at this stage, or to indicate what the government is likely to do. I submit it is for the government to exercise its own judgment as to the right time at which to make any statement on conference matters, or a statement of its own position. I suggest further that any discussion in advance would prejudice the situation.

PREPARATION AND DISTRIBUTION OF PROCEEDINGS AND OFFICIAL STATEMENTS

Mr. JOHN BRACKEN (Leader of the Opposition): In this connection when the matter was brought up some time ago I asked the government if it would see that the proceedings of the conference were published. I should like to know if that has been done. Have copies of the proceedings been distributed to all hon. members? Further, have the official statements at earlier conferences during the last nine months been made available to hon. members? I believe the whole record is to be found in those statements.

Right Hon. W. L. MACKENZIE KING (Prime Minister): When the Leader of the Opposition raised the point of bringing together certain statements under one cover, I gave instructions to have that done as soon as possible. My understanding is that it has been done. Whether copies have as yet been distributed I cannot say. Similarly, with regard to the proceedings of the conference itself, I have given instructions that they should be distributed at once to the members of both houses. I must apologize for not knowing at the moment whether that distribution has been made, but I shall make immediate inquiries.

Mr. COLDWELL: Some have been distributed.

Mr. MACKENZIE KING: I am told they have. I believe that answers my hon. friend's question.

Mr. BRACKEN: And would the Prime Minister see that the official statements from previous conferences are also distributed?

Mr. MACKENZIE KING: Yes.

POSSIBILITY OF MAKING AGREEMENTS WITH SEVEN PROVINCES

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, arising from something I said a minute ago, may I ask if the government is giving any consideration to making agreements with the seven provinces which have indicated their willingness to accept the dominion's proposals, with minor adjustments?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend's question was addressed to the government. I might explain that the Minister of Finance (Mr. Ilsley) is apparently too modest to reply in respect of what he is contemplating with regard to the budget. I would say on behalf of the government that I have nothing to add to what I have already said.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

LOANS TO OTHER COUNTRIES

Mr. POULIOT:

What amounts have been (a) given; (b) loaned; (c) advanced, in virtue of each act of the parliament of the dominion of Canada to any other country from September 1, 1939?

Mr. MAYHEW: The hon. member for Temiscouata has agreed to have this question dropped.

Question dropped.

OBSTRUCTION OF FRASER RIVER AT MISSION

Mr. CRUICKSHANK:

1. What is the width of the Fraser river at the C.P.R. bridge at Mission?
2. Is the said river navigable at this point?
3. Are private companies permitted to obstruct the river by dumping rock in the channel?
4. If so, for what reason?
5. Is a record kept of all rock so dumped?

Mr. FOURNIER (Hull):

1. 1,735 feet.
2. Yes.
3. No. Rock has been dumped only to replace bottom scour endangering piers.
4. Answered by No. 3.
5. No record kept by this department.

COAL STRIPPING AT CASTOR, ALBERTA

Mr. STEWART (Winnipeg North):

1. What capital or other expenditure was incurred by the dominion government at Castor, Alberta, in connection with the stripping of coal?
2. What has been the total cost of work undertaken at Castor in this connection?
3. What has been the revenue received?
4. Has this mine been sold; if so, to whom and for what price?

Mr. McILRAITH:

1. Capital Advances		
From January, 1944		
Capital expenditures	$105,997 13	
Interest accrued..	5,512 78	
Amount Repaid....		$111,509 91
	$111,509 91	$111,509 91
Operating Advances		
From September, 1944		
Operating charges..	$185,425 15	
Interest accrued..	2,865 08	
Amount repaid.....		$ 2,865 08
Balance of operating expenses		185,425 15
	$188,290 23	$188,290 23
2. Total cost (including interest accrued)		$299,800 14
3. Revenue received		$114,374 99
Net cost to this date		$185,425 15

4. This mine is not the property of the federal government but was operated under the supervision of the federal government by special contract.

[Mr. Pouliot.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

SASKATCHEWAN POST OFFICE BUILDINGS

Mr. McKAY:

1. In what year were the present post office buildings erected in (a) Foam Lake; (b) Lanigan, Saskatchewan?
2. What was the revenue of the Foam Lake post office in each of the years, 1938 to 1945 inclusive?
3. What revenue is required from a post office to warrant the erection of a postal building by the federal government?

KURT MEYER

Mr. ISNOR:

1. Has a protest against the imprisonment of Kurt Meyer at Dorchester been received by the Prime Minister from the Amherst branch of the Canadian Legion of the British Empire Service League?
2. If so, what action if any, has been taken to transfer this prisoner to another prison?

FARM PRODUCTS

PRICE INCREASES IN THE UNITED STATES—CANADIAN POLICY

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr Speaker, I should like to ask a question of either the Minister of Agriculture or the Minister of Finance. I have not given either minister notice of the question, because the matter came to my attention only a few minutes ago. If it is not possible to give an answer to-day, perhaps it may be possible to do so at an early day. Has either of these ministers been informed of the reported authorization by United States government authorities of an increase in the price of agricultural products in that country, to the extent of 25 cents a bushel on corn, 15 cents on wheat, 9 cents on barley and 5 cents on oats? If so, will the government now give consideration to these increases, and announce its general farm price policy in the light of these circumstances and other changed conditions in Canada?

Right Hon. J. L. ILSLEY (Minister of Finance): I noticed the news item this morning respecting these price increases in the United States. There has been no opportunity to give consideration to whether those increases should affect the price policy in Canada. As soon as there is anything definite to state with regard to prices, a statement will be made in the house. I do not think the question can be answered any further at the present time, either to-day or to-morrow.

Mr. BRACKEN: I did not press for an immediate answer.

Mr. ILSLEY: I understand.

INQUIRIES OF MINISTRY

FIELD-MARSHAL MONTGOMERY—JOINT DEFENCE PLAN—EXCHANGE OF HIGH COMMISSIONERS WITH INDIA

On the orders of the day:

Mr. T. L. CHURCH (Broadview): May I say that I wish the Prime Minister a pleasant voyage and a safe return from his proposed journey. I wish him good luck for Canada in the work he proposes to do. There are three questions to which I should like a reply before he goes. I have sent him copies of these questions and I am sorry I was not able to send them earlier.

During his last visit to the United Kingdom I understand that the Prime Minister extended an invitation to Field-Marshal Montgomery to visit Canada. I hope when he is there again he will see if something cannot be done about this invitation.

The second question is with regard to the statement made by President Truman over the radio a week ago in connection with a joint defence plan for the future of America. I should like to know if any such plan has been brought to the attention of the government, and by whom, and what if any action has been taken as to joining what is known as a Pan-American union for defence.

The third question has to do with an exchange of high commissioners between Canada and India. Before any action is taken will an opportunity be afforded on the Prime Minister's return to express my opposition to this innovation?

Mr. SPEAKER: I would call the attention of the hon. member to the fact that his questions should be placed on the order paper.

Mr. CHURCH: I am not asking for answers to-day.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, perhaps you will permit me to answer my hon. friend immediately as a matter of courtesy. First, I should like to thank him for his good wishes and for his kindness in sending me copies of the questions he had in mind. The first question referred to a statement made by President Truman over the radio. My hon. friend will find an answer to that question at page 1273 of *Hansard* of May 7. At that time the Minister of Justice (Mr. St. Laurent) made a reply on my behalf—I was prevented at the time from being in the house—to a similar question.

My hon. friend's next question was in relation to a possible visit to Canada by Field-Marshal Lord Montgomery. I can tell him immediately that the field-marshal has accepted the government's invitation and at the present time arrangements are being made for the visit of Lord Montgomery toward the latter part of the month of August.

With regard to my hon. friend's third question, wherein he asks if an opportunity will be afforded him to oppose the exchange of high commissioners with India, I promise him that nothing will be done until he has been afforded an appropriate opportunity to speak on that matter.

THE PRIME MINISTER

DEPARTURE FOR LONDON ON MAY 13 TO ATTEND PRIME MINISTERS' CONFERENCE

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am sure that all members of the house have been interested in the various press reports about the Prime Minister leaving us. I would ask if he could not give us now some idea of just when he plans to leave. Since it seems to be certain that he is going, may I, on behalf of this section of the house, extend to him our best wishes for a safe landing, a satisfactory stay, and a safe return. I think I can assure him that we shall do all in our power to help the government to carry on sanely while he is away.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, since the leader of the opposition has said that he is speaking only for one section of the house, I should like to assure the Prime Minister that those who are associated with me in this party also wish him a pleasant voyage and a very fruitful visit to Great Britain. May I suggest also that when he comes home he be a little more communicative on certain matters.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, since the leader of the opposition did not include this group in his remarks I should like to join with him and the hon. member for Rosetown-Biggar in extending to the Prime Minister our best wishes for a fruitful trip to the old country. We hope that he will come back soon and take a lead in trying to get this session over before the hot weather starts.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I express to the leaders of the different parties and those who are supporting them, as well as to hon. members on this side of the house, my very warm appreciation of the kind manner in which they have recognized the necessity of my going overseas for a short time and for the good wishes they have extended for that sojourn abroad.

The leader of the opposition has relieved my mind of one consideration when he assures me

that he will see that the government carries on successfully while I am away. To that extent, I shall be tremendously relieved. My hon. friend the leader of the Cooperative Commonwealth Federation has said that he hoped I would be more communicative. May I say to him that I have found that more public men get into trouble from what they say than from what they do not say. If I am not over-communicative at times it is because from long experience in public affairs I have learned that silence is often golden where speech is merely silvern.

May I say to hon. members that I have been very much of two opinions as to what my duty was at the moment in the matter of going overseas. Early in the year I received from the Prime Minister of the United Kingdom a communication saying that he hoped a meeting of all the prime ministers might be held in London, I understood in connection with the approaching peace conference at Paris. It seemed to me that a meeting of prime ministers held at that time would probably bring together the prime ministers from the different parts of the empire, and as I had planned to attend the peace conference in Paris, that seemed to be a suitable time for such a meeting. I therefore said that I would welcome such an arrangement. However, on communications being sent to the different nations of the commonwealth, it was found that Mr. Chifley, Prime Minister of Australia, could be in England only at a certain time; that Mr. Fraser, Prime Minister of New Zealand, would not find it possible to make the trip himself, and that General Smuts of South Africa could not leave South Africa before a certain time. Early in February I had been a party to the agreement with the provinces that the dominion-provincial conference would meet here at Ottawa at the time it did, so I was obliged to say that I could not possibly think of going over until that conference was concluded.

The result was that the idea of having the prime ministers meet collectively on a particular date was given up, and instead it was suggested that there might be consultations between the Prime Minister of the United Kingdom and one or more of his ministers and the prime ministers of the dominions arranged in different stages. Hon. members have seen that such has been the procedure that has been followed, that certain consultations have already been held. To permit of my being present there has been a postponement of some of the consultations until next week or the week after.

I wish it were not necessary to go because I feel that my duty just at this time is primarily in Canada. When we have the important questions that have been referred to this afternoon concerning the discussion of relations between the provinces and ourselves, as well as other important matters coming up. I do not see how I or persons holding a similar office in the different dominions can be expected to be in Britain all at the same time. I think a man's first duty is to his own country and to his own parliament. If I had consulted my own feelings at this time I would have remained here, but I realize that there are reasons why consultation in reference to some of the matters that have been mentioned is advisable and I have given my word that I would go across to take part in those consultations. I plan to leave on Monday of next week.

I think it is important to realize that we have in this country and in all parts of the commonwealth a system of consultation which can be effected by means of cable, as was followed out throughout the years of the war, and which I believe is about as perfect as any system could be. It enables a prime minister when sitting in conference to speak with the authority of all his colleagues. I wish to make it perfectly clear that I am not going to attempt at any consultation to say what this government's opinion is with regard to questions of defence, questions of trade, preference and the like, because I am not one of those who pretend to speak for the entire cabinet without the opportunity of conferring with its members. I shall be very happy at any conference to give my views in a general way as to opinions that I think this country would wish to have fully considered. But as for presenting at a conference the official view of Canada in great matters of defence, trade and numerous other important questions, without the presence of the ministers who are responsible immediately concerned for the different departments of government and without the presence of their experts as well, I can assure the house that I shall be careful to refrain from committing anyone in a manner that is likely to occasion embarrassment.

Mr. McIVOR: I think the Prime Minister is to be commended for starting out on his journey on Monday and spending the Sabbath day as he ought to spend it.

LUMBER

INQUIRY AS TO THREATENED STRIKE IN BRITISH COLUMBIA

On the orders of the day:

Mr. JOHN L. GIBSON (Comox-Alberni): Mr. Speaker, I would ask the Minister of Labour to advise the house what steps his department is taking to avoid a threatened

strike in the lumber industry in the province of British Columbia which has been called for May 15.

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I learned yesterday that there is likely to be a tie-up in the lumber industry in British Columbia, and I immediately directed my officials to get in touch with the provincial department of labour in Victoria. I understand to-day that the leader of the loggers' trade union organization is going to meet Mr. Pearson, the Minister of Labour of British Columbia, in Victoria. But may I say this—

Some hon. MEMBERS: Hear, hear.

Mr. MITCHELL: Yes, it is necessary to say these things sometimes to irresponsible people, and I am not saying that in a kindly way either. I do not think that any leader of a labour organization is rendering the service that is due to its membership when, in defiance of the regulations which have been built up in consultation between labour and industry, a strike is threatened in an important industry such as the lumber industry is at the present time. I would appeal for cool counsels to prevail, and I say that in all sincerity, especially in the light of conditions in this country and, more particularly, to assist in the tremendous construction programme for veterans' homes, and generally the necessity of expansion of the industry in the light of conditions throughout the world.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $163,190.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Chairman, the amount we are asking the house to vote this year for ordinary purposse is $13,692,713; that is an increase of $1,615,444 over the estimates of 1945-46.

In the four years preceding the war we had been following the policy of building up the agriculture estimates from a low in 1935 to the figure at which they had been five years previously and we had just about reached that level when war was declared. After war was declared we cut down the ordinary estimates for agriculture, but during the last two years we have again been building them up so that this year they are $1,615,444 higher than they were last year. The increases have been made up as follows: Scientific services, $913,591; experimental farms, $223,223; production services, $321,225; marketing services, $112,675, or a total of $1,570,714; increase in administration, $44,730, making a total increase of $1,615,444.

The estimates of the department are divided into ordinary and special. Under special we are asking the committee to vote this year, $5,725,000, as against $5,126,700 a year ago. The increased amount of $598,300 is divided between P.F.R.A. and cheese. There is an increase of $1,122,000 in P.F.R.A., with an additional amount not yet determined which will be taken out of the $10,000,000 vote for reconstruction. The increased expenditure on cheese, for the purpose of promoting the production of better cheese, is $200,000, making $1,322,000. The difference between the increase in these two branches and the total increase is accounted for by reductions in prairie farm asistance. That figure has not been finally determined because it depends very much on the weather this year, and there is a possibility that the actual expenditure may go back to what it was a year ago.

The other has to do with wheat acreage reduction. The greater part of the difference is in wheat acreage reduction. During the last two years we have not been carrying on the policy of promoting wheat acreage reduction and for that reason no payments are being made and no vote is necessary for the purpose this year. So while the balance shows an increase of $598,300, there is an actual increase in the operative part of the estimates of $1,322,000.

I wanted to make those explanations before we start upon a consideration of the individual items, and would suggest, Mr. Chairman, subject of course to the opinion of the committee, that we can advance most satisfactorily and obtain the greatest amount of information by dealing with the matters which come under each item as we proceed. I assume that some hon. members will want to make general remarks before we do proceed on this basis, but I hope we can get to that basis as soon as possible.

Mr. HACKETT: Has there been any diminution of the amounts spent to encourage the manufacture of butter? The minister has stated that additional amounts have been spent to encourage the manufacture of cheese.

Mr. GARDINER: The amount spent in connection with cheese is not to encourage increased production, but to encourage better quality. It is the premium we pay for the production of 94 and 93 score cheese, and, together with the assistance we give for putting in storage rooms and other equipment, to make it possible to produce a better product. The promotion of the production of each of these commodities will be dealt with under produc-

tion, when we come to the votes in connection with production, and we shall be better able to determine at that time the amounts which are spent in various directions in order to promote production.

Mr. HACKETT: As a matter of fact, nothing has been voted to encourage the production of butter?

Mr. GARDINER: As far as I can recall at the moment, there is nothing specifically in the items, although we may come across something as we go through that might be so stated to be estimated; but that kind of expenditure is made out of the different items which provide for publicity, and we do take sums of money for promoting the production of different products from time to time during the year out of those amounts, and run advertisements in the papers and take other action to assist in obtaining higher production.

Mr. HACKETT: I hope the minister will not think that I am trying to ask him a lot of questions at once, but I have to go to the flag committee. Is the minister aware of the great number of dairy cattle that are being exported from eastern Quebec to the United States at the present time? I received a letter this morning which told me of thirty-two carloads of cattle passing through one station in the first two days of this week, and of a great number being taken across the international line by truck. I am anxious to know whether the government deems that a policy which encourages the export of dairy cattle is a good policy, and whether anything is being done to stay the loss to Canada of those herds.

Mr. GARDINER: I repeat that I think we can more satisfactorily discuss that question when we get down to production. But I can give at the moment figures which will, I think, satisfy the hon. member that the problem is not as serious as might be suggested by figures taken from any locality. I will just take the last six years for which I have the records here. I have the records from 1928 down to the present, and could place them on *Hansard* if it were desired, showing, first, the exports of dairy cattle, and showing the numbers on farms; for every year but the present, the numbers on farms in June; and giving the number on farms in December of 1945.

Beginning at 1941, the number of exports was 13,719. I may say that that is the highest export that we have had since 1929. In 1942 the number was 19,139; in 1943, 37,327; 1944, 36,315; 1945, 47,304; 1946, down to March, 11,572.

The figures which one must put alongside of these are the figures of dairy cattle on farms in June of each year: 1941, 3,623,900; 1942, 3,680,500; 1943, 3,784,700; 1944, 3,929,600; 1945, 3,998,200; and then in December of 1945, 4,012,600. In other words there has been a constant rise year by year down to the present of the number of dairy cattle on farms, until the figure of 3,929,600 in 1944 was the highest figure of any year from 1928 down to 1944, and, I assume, the highest figure right back through the years.

Mr. SENN: Would the minister explain why, if there is this increase in the number of dairy cattle—and I am not denying it—there has not been a corresponding increase in the production of milk?

Mr. GARDINER: There has. We will finish this question first. In 1945, as I indicated, the number went up to within two thousand of four million, which was much higher than any year we ever had; and in June 1945 we were over the four million mark.

The suggestion has been made that we might explain why there has been a lower production of milk, or, to put it in exact terms, I think the question was why there has not been a corresponding increase in the production of milk. Well, I am not in a position to state at the moment whether the increase is proportionate to the increase in the number of cows, although I am under the impression that the increase is greater than the increase in the number of cows. That is my opinion at the moment, unless I get something to the contrary which is not before me, that the production per cow has improved during that period; and it is natural that in times like these, when returns are good, farmers should get better stock and better bred stock on their farms. The actual fact is that last year the milk production was the highest on record. If it was not, the figures I have are not the same as those which my hon. friend has.

Mr. SENN: Would the minister care to have me give the figures I have from the bureau of statistics?

Mr. GARDINER: I have the figures from our own officials, and sometimes I would rather rely upon those than upon the figures from the bureau of statistics because quite often the bureau's figures are made up on a basis a little different from that of the figures in the Department of Agriculture. My information is that our production of milk is up, and if it is not it is only slightly down. In any case, it has been up year by year throughout the years.

Mr. PEARKES: Has the minister figures of the dairy cattle exported overseas in the pre-war days?

Mr. GARDINER: Will the hon. gentleman wait until I answer this other question? I understand my figures are from the bureau of

statistics. I do not wish to have too many on hand. Total milk production in 1940 was 15,999,000,000; in 1941, 16,549,000,000; in 1942, 17,488,000,000; in 1943, 17,518,000,000; in 1944, 17,604,000,000; in 1945, 17,618,000,000. If these figures do not go up exactly proportionately, they do go up every year, and it is on these figures that I base the statement.

What I was going to say in answer to the question asked a few moments ago was this. This increase in the exports of dairy cattle is just as important to the farmer who is milking cows as is the sale of milk itself. The farmer is raising dairy cattle not only to produce milk but to raise breeding stock that he can sell, and if the farmers had four million of dairy stock on their farms in 1945 as against 3,623,000 in 1941, and sold 47,000 head of dairy cattle in 1945 as against 13,719 in 1941, then I think it is only fair to say that they took in at least three times as much; and when you add the increase in price for cows over that period of time, they took in a greater increased amount from the sale of dairy cows as compared with the years from 1941 back. In addition to that, they have been taking in, as I have indicated by the figures with regard to milk, more every year, first because of increased production, and second because of increases in price as compared with 1941 and 1945 from the milking of cows. In the light of those two facts I do not think anyone will contend that the dairy farmer is worse off as a result of anything that happened during those years.

Mr. HACKETT: The point I would like to call to the attention of the minister is the precarious condition in which that branch of the dairy industry which lends itself to the making of butter finds itself to-day. The remarks of the minister referred to the dairy industry as a whole. He has explained on previous occasions what the department headed by himself has been able to do to capture a very desirable British market for cheese, and I think it is beyond dispute that milk converted into cheese yields a much greater return to the milk producer than does milk containing an equal quantity of butterfat converted into butter. The figures the minister has given with regard to exports of cattle and the number of cattle on farms were general. They do not apply to Quebec and southeastern Quebec, to which my remarks on previous days in the house have been specially directed. In that area there is a vastly accelerated disposal of dairy herds to the United States. There is more than one reason for that. The first is that raw milk commands a much higher price in the United States than in Canada, and secondly there appears to be great difficulty in getting labour to perform the work incidental to caring for herds on the farm and conveying the cream to the creamery.

The price of butter in Canada is much lower than in the United States. A quantity of milk converted into cheese gives the producer a much better return than if it were converted into butter. The dairy farmers find that it is not profitable for them to make butter and are therefore selling their herds. I believe the minister will find, if he compares the figures he has given of dairy cattle sold during the first four months of the current year, that the number per month is much greater than it was for the corresponding months last year, and the fear of many people who live in southeastern Quebec is that this most important of agricultural pursuits is going to be irreparably damaged if the price of butter be not raised so that the producers of butter can find enough profit in that pursuit to warrant retention of their herds rather than the sale of them across the line.

I agree with the minister that the dairy farmer in southeastern Quebec has always derived a certain benefit from the raising of dairy cattle of high productive capacity and the sale of them to the United States. In other days there was a very great trade in horses to the United States, and the trade in dairy cattle has been a source of revenue. But it has now reached the point where the sales are so greatly enhanced that the industry itself is jeopardized. Quebec, it is admitted, makes butter in preference to cheese. Canadian cheese commands a respected place in the foreign markets, the minister is to be commended on having secured these foreign markets for a commodity in the production of which we excel. But temperance in this, as in all matters, is a virtue; I ask the minister if he has considered the peril which overhangs the butter-producing industry in southeastern Quebec if he does not take the necessary steps to make one hundred pounds of milk of a given butterfat percentage when converted into butter give the farmer more nearly the return now obtained from one hundred pounds of milk converted into cheese. It seems to me that in order to get into the British market he has encouraged the manufacture of cheese to the detriment of the manufacture of butter, and that in consequence there is a shortage of butter which is accounted for by the disposal of herds and by the fact that the element of the community which manufactures the most butter in Canada does not find it profitable to continue in the manufacture of that commodity.

Mr. WRIGHT: I should like to support what has been said by the hon. member for Stanstead in regard to the position of that portion of the Canadian dairy industry engaged in the manufacture of butter. We in western Canada find ourselves in very much the same position. The greater part of the dairy industry in the west is concerned with the manufacture of butter, outside of that portion concerned with whole milk. We have very few powdered milk factories; we have comparatively few cheese factories; and the dairy industry there has found itself, together with that of the eastern townships, in an awkward position in comparison with the industry in other parts of Canada, owing to the fact that milk going into the manufacture of butter does not bring the same return as milk used for cheese, powdered milk and whole milk. I do believe the time has come when there should be some levelling out of these prices so that a producer of milk would receive at least approximately equal price for his product, no matter in what portion of the dairy industry it was used. This is quite a sore point in Manitoba, Saskatchewan and Alberta as well as in the eastern townships, and I believe something should be done to rectify the matter. Otherwise, as in the eastern townships, I am quite sure the production of butter will continue to decrease.

Mr. PEARKES: I should like to report from another province where similar conditions exist, namely the southern portion of Vancouver island, where a great many of the farmers are engaged in the manufacture of butter. We have not a great number of creameries, but they are finding it increasingly difficult to obtain sufficient milk and cream to turn into butter in order that they may be able to cover their overhead expenses. To-day farmers are not only exporting some of their cattle; they are refusing to raise the young heifers unless they have an opportunity of selling whole milk to the cities on the island. Herds are being depleted because farmers are unwilling to run the risk of raising female stock in order to produce butter when the price they receive from the sale of butter does not cover their expenses. Those expenses are quite heavy on Vancouver island because, as we know, a great deal of the feed grain has to be imported from the prairie provinces. In order to complete the picture in regard to the export of dairy cattle I wonder if the minister would be able to give us some indication of the number of cattle exported overseas in pre-war days. There was quite a flourishing trade in the export of dairy cattle from Vancouver island to the orient. That, of course, ceased during the war years, and practically all exports have been to the United States. However, I do know the situation on the island is critical for those dairy farmers who are engaged in the production of butter.

Mr. CHARLTON: Can the minister state whether the production figures he has given include milk to the concentrated milk plants, milk that goes to cheese factories and whole milk, or whether these are split up?

Mr. GARDINER: To answer the last question immediately, the figures I gave on milk are for all milk produced for all purposes. That is the production of milk for butter, for cheese, and everything else, the total production of milk.

On these other questions which have been raised, taking first the question of butter versus cheese in the province of Quebec, I know the statements made in that regard are the generally accepted view, I think largely because we listen to discussions concerning something with which we may be very intimately concerned for the time being. There has been a shortage of butter in Canada recently; people have found it difficult to get butter, so naturally they believe something has happened to the production of butter, and are perhaps inclined to attach greater importance to quoted statistics having to do with the last two or three weeks or the last month than one might be justified in attaching to them. The general position in the province of Quebec is that in most sections where they produce butter and cheese they have what is known as the duplex plan. It is the only place in Canada where that plan is followed to any great extent. They can change over from butter to cheese at any time; and they do so with very little provocation. In other words if they can make more by producing cheese than by producing butter, they produce cheese. If they can make more by producing butter than by producing cheese, they make butter, and it is all done in the very same plant; they just switch over from the one to the other. That is not the practice in most other parts of Canada. Perhaps one can answer the questions raised with regard to Quebec more completely by quoting the figures as to the production of these two commodities in that province. The production of creamery butter in Quebec, in round figures, has been as follows:

	lbs.
1936	74,000,000
1937	74,000,000
1938	79,000,000
1939	80,000,000
1940	74,000,000
1941	76,000,000
1942	73,000,000
1943	85,000,000
1944	81,000,000
1945	88,000,000

They had their highest production, therefore, in 1945, at least since 1933, beyond which I have not the figures here. When we come to cheese for the province of Quebec, the production in round figures is as follows:

	lbs.
1936	25,000,000
1937	30,000,000
1938	28,000,000
1939	27,000,000
1940	35,000,000
1941	39,000,000
1942	64,000,000
1943	49,000,000
1944	61,000,000
1945	59,000,000

If one desires to have an explanation of the variation in the last few years in Quebec—and it will be noted that there is a considerable variation between 1941 and 1942—it is found in the fact that at that time we were promoting the production of cheese for the British market. Not only did we put on premiums just prior to that, but the government of Quebec put a subsidy of two cents a pound on cheese. Yet in the next year we were promoting the production of butter, with the result that cheese production dropped to 49 million pounds. The next year the subsidy was again emphasized. I believe it was off for part of 1943.

Mr. BLACKMORE: Off milk?

Mr. GARDINER: Off cheese, because of the desire to get more butter. There was a shortage of butter. The subsidy was taken off cheese, with the result that cheese production went down. Then, again in 1944 we made a special effort to get cheese for Britain. The minister of agriculture for Quebec came to Ottawa to discuss the matter with me. They reinstated the two-cent subsidy on cheese, with the result that it went back up to 61 million pounds. Then, in 1945 production went down to 59 million pounds.

I believe these figures bear out the contention that there is not a very wide margin of difference between the desire of the people of Quebec to produce cheese and their desire to produce butter. A two-cent subsidy either put on or taken off cheese has resulted in its production either going up or coming down, and in the production of butter going up or coming down. The reason for that is borne out by the fact that the average return in 1945 on milk entering into cheese in Canada was $1.92 per hundred, and the average return on milk entering into the production of butter was $1.68 per hundred, without the skim milk.

Mr. BOUCHER: May we have the same statistics for Ontario?

Mr. GARDINER: I can get them, but for the moment I am answering one question in particular.

Mr. HACKETT: That is the average across Canada, is it not?

Mr. GARDINER: Perhaps I had better make a full explanation. The cheese price is the same in 1946 as it was in 1945 across Canada. It is down, of course, in Quebec as a result of the fact that the subsidy has been taken off.

Mr. HACKETT: At the present time.

Mr. GARDINER: Yes, at the present time. But to give a full explanation, the average return for cheese this year will be about the same. The price has not been changed, to date. But the average return for butter this year—that is, 1946—being four cents higher, is $1.68. The skim milk is estimated to be worth somewhere in the neighbourhood of from 30 to 40 cents.

Mr. SENN: What about whey?

Mr. GARDINER: Whey is worth a little, but it does not enter into the picture to the same extent as skim milk.

Mr. HACKETT: Not quite so much, no.

Mr. GARDINER: I am now dealing with a point that has been raised. If one takes skim milk at 30 cents—or he can make it less than that, if he wishes, and put it down to 24 cents—the return on milk entering into butter is just about the same as on milk entering into cheese. Those are the figures used in making the comparisons. They may be different in one district as compared with another. Perhaps there are areas where there are not very many hogs or calves fed.

Mr. HACKETT: Some allowance should be made for the work incidental to the separating of the milk and the washing of the implements. It is the whole milk that goes to the cheese factory, and the work incidental to getting the milk off the farm and to the point of production is much less when milk is converted into cheese than when it is converted into butter.

Mr. GARDINER: Well, I want it understood that I am not arguing that question at the present time.

Mr. HACKETT: But would not that have a bearing on the 24 cents, or 30 cents?

Mr. GARDINER: I am not even attempting to prove anything of that kind, and I hope no one will put me in that position. I am not arguing whether milk entering into butter is or is not bringing in enough. I am

simply giving statistics to show the position as it now stands. The question as to what final payments are going to be made is, as I indicated the other night, still under consideration. The reason is that a month or six weeks ago those interested in the production of dairy products, particularly milk, interviewed the government and placed their position before us—at least they placed their position before the Department of Agriculture. I might add that the Canadian Federation of Agriculture placed its position before the whole government. Certain suggestions were made as to dealing with the matter. However those suggestions did not receive final consideration, largely because the dominion-provincial conference was being held. As the matter of finance as between the provinces and the dominion was under consideration, questions of this kind were not finally decided. On the last day of April, therefore, I made a report to the house to the effect that until the opportunity came for final consideration of the matter we were going to hold the subsidies exactly where they had been for the last two years. The government has been receiving resolutions—and I am sure hon. members have been receiving them—condemning the government, or at least suggesting to it that it should not have reduced the subsidies as of May 1 this year. We have not reduced the subsidies as of May 1 this year on any milk production. We have made them exactly as they have been in the last two years. And I explained at the time that change was made that final consideration had not yet been given to the question.

I make that explanation in order to emphasize the fact that I do not wish to be considered this afternoon to be arguing the question whether or not the price of milk entering into butter production is high enough. That question is under consideration; I am simply giving the facts. Those facts indicate that, down to the last period for which we have statistics, the production of butter has been quite high in Quebec.

Coming to Saskatchewan, concerning which province a question was asked by the hon. member for Melfort, the figures for butter production are as follows:

	lbs.
1936	24,000,000
1937	23,000,000
1938	23,000,000
1939	25,000,000
1940	28,000,000
1941	37,000,000
1942	41,000,000
1943	47,000,000
1944	48,000,000
1945	41,000,000

[Mr. Gardiner.]

It will be noticed that in 1944 they were producing just twice as much as was produced in 1936. While there was a drop in 1945 down to 41,000,000 pounds, the production was still higher than in any year prior to 1942. Anyone who knows what has happened in Saskatchewan during the last year can explain that without any stretch of the imagination. In 1945 we had the poorest crop in Saskatchewan that we had had since 1937. We had a drought almost as serious as the one we had in those years when we used to spend hours in this house talking about it. Now there is no discussion at all. The area affected by the drought is just as great as the area affected back in the thirties. That in itself is sufficient explanation for the fact that the production of milk is down.

My hon. friend asked me for the same figures for Ontario. Beginning with 1936 the butter production in that province was as follows:

	lbs.
1936	86,000,000
1937	81,000,000
1938	87,000,000
1939	88,000,000
1940	87,000,000
1941	86,000,000
1942	81,000,000
1943	82,000,000
1944	74,000,000
1945	77,000,000

In this case the 1945 production is up as compared with 1944.

Mr. LOW: Has the minister the figures for Alberta?

Mr. GARDINER: I have them all here and perhaps I had better put these tables on *Hansard*. I was asked to give the cheese production in Ontario. It will be realized that Ontario and Quebec produce almost 93 per cent of our total cheese production. The figures for factory cheese production are as follows:

	lbs.
1936	88,000,000
1937	93,000,000
1938	87,000,000
1939	89,000,000
1940	100,000,000
1941	103,000,000
1942	128,000,000
1943	106,000,000
1944	105,000,000
1945	113,000,000

Cheese production was up considerably in 1945, there being only one other year in recent times, 1942, when Ontario produced as much cheese as was produced last year. I think it was the hon. member for Stanstead who asked why we were promoting the production of cheese rather than the production of butter. I would not like the impression to go out that

we were promoting the production of cheese at the moment as against the production of butter. We promoted the production of cheese as against the production of butter at certain times during the war for certain reasons. The first was that Britain was pressing us for cheese. As hon. members of the committee know, Great Britain stands at the top of the list of cheese eaters in the world, while Canada is at the bottom. The people of Great Britain eat the most cheese per head of population, while we eat the least, according to the records of the sixteen countries in which records are kept. We produce one of the kinds of cheese that the British like best, cheddar cheese. They have been willing to pay a premium for this even in ordinary times. That is the first reason the British wanted it. We tried to give them what they desired. Cheese has stored up in it a certain amount of butterfat in a way that permits it to be kept and therefore it is utilized in time of war.

The second reason is one that I believe most of those who are interested in agriculture are familiar with. There is an area in Canada which begins west of Toronto, perhaps as far west as Ingersoll, and extends down to Ottawa and as far as Kingston, then into Quebec as far as Three Rivers—we see an example of this area as we drive out from the city—where rock is very close to the surface and at times great boulders extend above the surface. But in between there are areas of luscious grass. We believe that if agriculture is to be continued successfully in this great area it is important that the farmers should be encouraged to produce cheese. We believe that if they are going to be encouraged to produce cheese they must have a good market, and we think the only good market is in Great Britain. Therefore we have been trying to supply the best cheese, and I think we are putting out the highest graded cheese we have ever had in Canada, partly because of the premium we have paid for high grade cheese and largely because of the desire of the producers themselves to get the best possible product over in the greatest quantities. So we have been promoting the production of cheese. There is a question as to whether we have overdone it so far as providing sufficient butter for consumption in this country is concerned.

There is a third reason which I think should be mentioned here. We cannot produce butter in competition with New Zealand or Australia, and I do not think I need to go into the reasons. Those countries run their cows out the year around while we have to stable ours about seven months in the year if we are to get much milk. When we attempt to place our butter on the British market in competition with their butter, we are not able to sell at the level they can sell at and still have a profit. What we have been trying to do is to maintain a Canadian market for butter and produce just about what is required by that market. As the opportunities to purchase have increased we have had greater difficulty in supplying the butter that is required in Canada. In spite of the fact that our creamery butter production was up on an average of about 40,000,000 pounds during the last three or four years as compared with the years preceding the war, we are still having difficulty in making the butter go round. For that reason, if for no other, there is some justification in believing that the time has come to promote the production of butter to a greater extent than it is being produced at the present time.

Mr. HACKETT: More people are eating it.

Mr. GARDINER: Yes. Some people who eat very little are eating what they require, while other people who eat more than they really require are having difficulty in getting what they want.

An hon. MEMBER: They cannot get it.

Mr. GARDINER: As my hon. friend says, they cannot get it. That is the position; that is what we are attempting to do, and those are the reasons why we are attempting to do it. For one thing, we want to keep the farmer in cheese production, and I am pleased to be able to say that in 1945 the production of cheese was higher than it has been for a long time, I think as far back as 1942.

Mr. HACKETT: To complete his statement will the minister state what aids are given to the manufacturer of butter as compared with the manufacturer of cheese? I understand, for instance, that Ontario bonuses cheese to the extent of two cents a pound. Then there is a bonus from the dominion government which depends upon quality and flavour. I suggest to the minister that he tell us, if he will, the whole story as regards governmental encouragement to the butter maker and the cheese maker so far as his own department is concerned.

Mr. GARDINER: All those facts were taken into consideration in compiling the figures I gave a few moments ago; that is, the provincial subsidy on cheese, the premium that is paid by the dominion government, and the 20 cents a hundred on the milk entering into the production of cheese. All that was included in the figure which gives a return of $1.92 a hundred. The ten cents a

pound on butter fat given by way of subsidy is also included in the figure of $1.68 for milk entering into the production of butter.

As to the subsidies on fluid milk, I do not think I need go back to the earlier years but just give the later years.

Mr. HACKETT: Would the minister give the figures from 1936 on, as he did in the other case?

Mr. GARDINER: I do not think I need give all the variations, because there are some areas in which the subsidy went down to 25 cents. But the general subsidies are 35 cents a hundred in summer and 55 cents in winter. That is on whole milk.

Mr. HACKETT: Milk of certain quality?

Mr. GARDINER: On all fluid milk. On creamery butter it is 10 cents per pound butter fat throughout the year, and on milk entering into cheese 20 cents throughout the year; on concentrated milk products, 15 cents in the summer and 20 cents in the winter. Those were the subsidies given, taking everything into consideration, in order to equalize returns.

An hon. MEMBER: Then there is a special subsidy, is there not, on cheese?

Mr. GARDINER: No, there is no special subsidy, just the premium we paid before the war of two cents and three cents depending upon the point score. That has been paid since 1939.

Mr. HACKETT: And Ontario pays two cents a pound on cheese?

Mr. GARDINER: Yes, and Quebec paid two cents in some years.

Mr. HACKETT: Yes, off and on.

Mr. PEARKES: What are the figures for British Columbia?

Mr. GARDINER: I will put the whole table on *Hansard,* if I may, in a few moments. But answering first the point raised by the hon. member for Nanaimo as to the export of cattle to the orient, the figures I gave include all exports, wherever they go, both before the war and after. They include all exports of beef cattle, and the figures show that the exports were very much higher in recent years than in the years prior to the war.

Mr. PEARKES: The point I was raising was that there has been no export of cattle to the orient during the war years.

The ACTING CHAIRMAN (Mr. Golding): Has the minister consent to place the tables on *Hansard?*

Some hon. MEMBERS: Agreed.

[Mr. Gardiner.]

The tables follow:

Dominion Department of Agriculture
Marketing Service
Statistical Sheet No. 1

Production of Creamery Butter in Canada, Year 1933 Onward

1933

Province	lb.
Prince Edward Island	2,084,988
Nova Scotia	6,089,615
New Brunswick	2,879,673
Quebec	63,594,688
Ontario	76,829,463
Manitoba	19,557,688
Saskatchewan	19,318,542
Alberta	23,852,350
British Columbia	5,023,539
All Canada	219,232,546

1934

Province	lb.
Prince Edward Island	1,834,836
Nova Scotia	5,732,666
New Brunswick	3,220,003
Quebec	69,325,144
Ontario	81,630,231
Manitoba	20,674,148
Saskatchewan	20,871,603
Alberta	25,601,447
British Columbia	5,962,883
All Canada	234,852,961

1935

Province	lb.
Prince Edward Island	1,672,822
Nova Scotia	4,907,624
New Brunswick	2,973,856
Quebec	73,397,096
Ontario	84,430,273
Manitoba	21,531,855
Saskatchewan	22,851,198
Alberta	23,094,707
British Columbia	6,059,368
All Canada	240,918,799

1936

Province	lb.
Prince Edward Island	2,068,065
Nova Scotia	5,754,887
New Brunswick	3,502,529
Quebec	74,487,024
Ontario	86,705,979
Manitoba	23,011,056
Saskatchewan	24,097,537
Alberta	25,491,105
British Columbia	5,813,595
All Canada	250,931,777

1937

Province	lb.
Prince Edward Island	2,131,508
Nova Scotia	5,874,068
New Brunswick	3,623,787
Quebec	74,557,923
Ontario	81,396,261
Manitoba	24,343,485
Saskatchewan	23,571,938
Alberta	26,323,562
British Columbia	5,234,214
All Canada	247,056,746

1938

Province	lb.
Prince Edward Island	2,557,447
Nova Scotia	6,716,643
New Brunswick	4,521,525
Quebec	79,758,453
Ontario	87,754,385
Manitoba	25,703,684
Saskatchewan	23,524,260
Alberta	31,242,357
British Columbia	5,568,517
All Canada	267,347,271

1939

Province	lb.
Prince Edward Island	1,937,272
Nova Scotia	5,681,607
New Brunswick	3,987,318
Quebec	80,235,791
Ontario	88,010,276
Manitoba	26,524,240
Saskatchewan	25,400,005
Alberta	29,749,958
British Columbia	6,086,079
All Canada	267,612,546

1940

Province	lb.
Prince Edward Island	1,984,487
Nova Scotia	5,870,210
New Brunswick	3,923,752
Quebec	74,084,973
Ontario	87,278,149
Manitoba	27,289,731
Saskatchewan	28,306,811
Alberta	29,796,520
British Columbia	6,189,036
All Canada	264,723,669

1941

Province	lb.
Prince Edward Island	2,644,674
Nova Scotia	6,540,837
New Brunswick	4,542,039
Quebec	76,266,197
Ontario	86,242,850
Manitoba	31,106,320
Saskatchewan	37,126,694
Alberta	35,316,143
British Columbia	6,062,442
All Canada	285,848,196

1942

Province	lb.
Prince Edward Island	3,523,310
Nova Scotia	6,660,147
New Brunswick	4,981,868
Quebec	73,109,919
Ontario	81,025,298
Manitoba	31,641,708
Saskatchewan	41,306,186
Alberta	36,985,909
British Columbia	5,357,027
All Canada	284,591,372

1943

Province	lb.
Prince Edward Island	4,301,535
Nova Scotia	7,660,420
New Brunswick	7,016,613
Quebec	85,532,153
Ontario	82,023,800
Manitoba	33,922,078
Saskatchewan	47,721,150
Alberta	38,656,940
British Columbia	4,874,787
All Canada	311,709,476

1944

Province	lb.
Prince Edward Island	4,009,756
Nova Scotia	7,148,331
New Brunswick	7,049,784
Quebec	81,977,292
Ontario	74,802,746
Manitoba	31,571,555
Saskatchewan	48,226,769
Alberta	37,784,393
British Columbia	5,687,299
All Canada	298,251,925

1945

Province	lb.
Prince Edward Island	4,233,386
Nova Scotia	7,387,362
New Brunswick	7,422,269
Quebec	88,110,958
Ontario	77,496,537
Manitoba	26,995,379
Saskatchewan	41,039,582
Alberta	34,652,528
British Columbia	6,203,340
All Canada	293,541,341

Dominion Department of Agriculture
Marketing Service
Statistical Sheet No. 2

Production of Factory Cheese in Canada, Year 1933 and Onward

1933

Province	lb.
Prince Edward Island	563,376
New Brunswick	313,994
Nova Scotia	....
Quebec	25,521,945
Ontario	81,260,644
Manitoba	677,864
Saskatchewan	758,071
Alberta	1,437,387
British Columbia	613,212
All Canada	111,146,493

1934

Province	lb.
Prince Edward Island	340,032
New Brunswick	347,355
Nova Scotia	....
Quebec	21,676,736
Ontario	73,301,029
Manitoba	1,011,468
Saskatchewan	664,259
Alberta	1,370,425
British Columbia	635,313
All Canada	99,346,617

1935

Province	lb.
Prince Edward Island	212,111
New Brunswick	274,133
Nova Scotia	....
Quebec	20,265,992
Ontario	75,516,846
Manitoba	1,457,000
Saskatchewan	584,224
Alberta	1,364,526
British Columbia	752,558
All Canada	100,427,390

1936

Province	lb.
Prince Edward Island	296,354
New Brunswick	419,022
Nova Scotia	....
Quebec	25,375,881
Ontario	88,457,007
Manitoba	2,140,765
Saskatchewan	511,995
Alberta	1,451,735
British Columbia	470,724
All Canada	119,123,483

1937

Province	lb.
Prince Edward Island	461,583
New Brunswick	597,162
Nova Scotia	....
Quebec	30,362,479
Ontario	93,867,645
Manitoba	2,923,873
Saskatchewan	343,449
Alberta	1,838,589
British Columbia	231,058
All Canada	130,625,838

1938

Province	lb.
Prince Edward Island	449,957
New Brunswick	552,589
Nova Scotia	....
Quebec	28,569,124
Ontario	87,593,430
Manitoba	3,344,202
Saskatchewan	419,404
Alberta	2,451,821
British Columbia	590,781
All Canada	123,971,308

1939

Province	lb.
Prince Edward Island	459,748
New Brunswick	557,388
Nova Scotia	....
Quebec	27,526,828
Ontario	89,968,073
Manitoba	3,492,958
Saskatchewan	345,902
Alberta	2,196,157
British Columbia	928,305
All Canada	125,475,359

1940

Province	lb.
Prince Edward Island	671,333
New Brunswick	627,843
Nova Scotia	....
Quebec	35,641,942
Ontario	100,004,359
Manitoba	4,546,258
Saskatchewan	390,448
Alberta	2,705,853
British Columbia	750,502
All Canada	145,338,538

1941

Province	lb.
Prince Edward Island	702,707
New Brunswick	773,319
Nova Scotia	....
Quebec	39,021,618
Ontario	103,446,447
Manitoba	3,670,010
Saskatchewan	390,931
Alberta	3,140,978
British Columbia	719,528
All Canada	151,865,538

1942

Province	lb.
Prince Edward Island	1,082,651
New Brunswick	1,852,899
Nova Scotia	....
Quebec	64,554,802
Ontario	128,348,448
Manitoba	5,147,549
Saskatchewan	440,547
Alberta	3,908,545
British Columbia	879,787
All Canada	206,215,228

1943

Province	lb.
Prince Edward Island	781,084
New Brunswick	971,350
Nova Scotia	....
Quebec	49,580,426
Ontario	106,132,364
Manitoba	3,360,727
Saskatchewan	445,278
Alberta	2,563,257
British Columbia	718,063
All Canada	164,552,549

1944

Province	lb.
Prince Edward Island	1,071,436
New Brunswick	1,145,242
Nova Scotia	....
Quebec	61,247,193
Ontario	105,665,483
Manitoba	3,980,338
Saskatchewan	590,089
Alberta	3,695,266
British Columbia	834,825
All Canada	178,229,872

Province	1945 lb.
Prince Edward Island	1,057,959
New Brunswick	1,201,041
Nova Scotia	....
Quebec	59,845,950
Ontario	113,396,398
Manitoba	3,842,215
Saskatchewan	366,243
Alberta	3,985,951
British Columbia	756,072
All Canada	184,451,829

Mr. BRACKEN: Mr. Chairman, I have to leave the house in a few moments, and I should like to ask two questions before I go. One is on the matter we have now under discussion. I had not intended to deal with the subject, but since it has been referred to by other members I would like to ask a question.

The discussion has been largely on butter. The impression abroad, whether correct or not, is that butter has not been receiving a fair price in relation to that of other dairy products and other agricultural products. The minister has explained that the numbers of dairy cattle in Canada have increased over the past nine or ten years and that the production of dairy butter has increased over the same period. That is understandable and is accepted because of increased feed, increased numbers and increased prices.

But, Mr. Chairman, I do not know whether there is any conflict between the figures which the minister is using and figures used by the bureau of statistics. I had some figures extracted from the bureau of statistics reports which I should like to give, and perhaps the minister or some of his officials can tell us if they are wrong.

These summarized figures with respect to butter were given me as having come from the bureau of statistics. Let me quote the round figures. Butter production, according to these figures, in the prairie provinces in 1943 was 120,000,000 pounds; in 1944, 117,000,000 pounds; in 1945, 102,000,000 pounds. That shows a consistent reduction in butter production over the past three years. The summarized figures from the same source show a reduction also in butter production for the whole of Canada. For 1943 the production is shown as 367,000,000 pounds; 1944, 352,000,000 pounds; 1945, 346,000,000 pounds. The figures I am given also show that that trend is continuing.

Mr. GARDINER: Those are the same figures I have.

Mr. BRACKEN: I thought the figures which the minister gave indicated an increase.

Mr. GARDINER: I gave figures for only three provinces. There was an increase shown in Quebec.

Mr. BRACKEN: But with respect to butter alone there has been a continuous drop in production both in the prairie provinces and in all Canada.

Mr. GARDINER: The figures for all Canada are 311,000,000 pounds in 1943. The statement I made a few moments ago was that the average production of creamery butter in recent years was about 40,000,000 pounds above what it was prior to the war. The production in 1938 was 267,000,000 pounds; it rose to 311,000,000 in 1943; then it went down to 298,000,000 pounds in 1944 and 293,000,000 in 1945. I am quoting the figures for creamery butter. I have not used any dairy butter figures, because those are only an estimate that somebody makes without very much upon which to base it.

Mr. BRACKEN: Perhaps this discussion has helped to clarify the matter. I thought that the figures which the minister first gave left the impression that butter production had kept on increasing. The only point I wished to make was to be sure that these figures were correct, or to know in what respect they were wrong. They show that in the last three years the production of creamery butter has been going down steadily. My information is that that trend is still continuing. In the prairie provinces, if you compare January of this year with January of last year it is 4·2 million pounds as compared with 4·9 million; in February of this year compared with February of last year, 4·2 million as against 5 million; in March of this year, 5·1 million as compared with 6·7 million in the corresponding month of last year.

For the whole of Canada—comparing the first three months of this year with the first three months of last year—in January this year, 9·6 million pounds were produced as compared with 11·4 million; February, 8·6 million as compared with 10·6 million; and March, 11·8 million as compared with 14·7 million. It is summarized in this way; in the first quarter of 1945 prairie butter production was 2·2 million pounds less than for the first quarter of 1944; in the first quarter of 1946 it was 3 million pounds less than in 1945. In two years, production in the prairie region has declined 28 per cent. The minister has explained, and everybody understands, that the crop was not as good last year as the year before. Nevertheless for the whole of Canada creamery butter production for the first quarter of this year is 18 per cent lower than it was a year ago.

My question has been answered: the minister has explained that the figures he quoted were for ten years; I have been referring only to the tendency of the last three years and particularly the last few months.

The other question I wish to leave with the minister, and it is one he cannot answer to-day, is related to the question asked this afternoon just before the orders of the day were called. Will the minister be good enough to have his officials set down side by side for the members of the house a statement of the prices under comparable conditions in Canada and the United States of all the major products of the farm—dairy products, meat products, poultry products, grains, and any other major farm products, for the information of the house.

I do not suggest for a moment that the prices of these things should all be as high here as they are on the other side. Wages are not the same, and other conditions are different. But I think it would be interesting and informative if we could have the figures—reliable figures—showing a comparison of farm prices in this country and over there; and it would be well if those figures could be prepared showing what the figures on the other side are, or will be on the 13th of this month, when the increases announced to-day in the United States come into effect.

Mr. GARDINER: I can give the information with regard to the product which was discussed the other night; I made a statement with regard to it; and I imagine the other figures could be got on much the same basis. I could probably give them as we go along with the discussion of the estimates.

I mentioned the other night that we have been rapidly overtaking the United States prices on hogs. Here is the position as of May 8, 1946, at Winnipeg and Chicago. On live weight basis the selling price at Chicago is $14.85, plus exchange of $1.48, which is $16.33. The statement I made the other evening was to the effect that our hogs could be sold on this market at a better return at present, or at least from day to day recently, than they could on the United States market. To begin again and repeat the figures: selling price Chicago, $14.85, plus exchange $1.48, $16.33; less shipping costs, $1; less duty, $1; net return Winnipeg $14.32. Winnipeg: market price grade A live basis, $14.03; premium on grade A, $1; return $15.03. The margin of Winnipeg over Chicago is 70 cents. Then the Winnipeg market price of B-1's, live basis, $13.73; premium on grade B-1, 50 cents; making a total of $14.23. The margin of Chicago over Winnipeg on B grade is 10 cents a hundred pounds.

[Mr. Bracken.]

Mr. SENN: Is the minister quoting comparable grades for both markets? There is no grade A over there, is there?

Mr. GARDINER: They have what they call the fat hog. We have the bacon hog. But on the top grades of hogs, grades which are as nearly comparable as you can get them, these are the prices. I can get the others made out on a similar basis and have them produced.

Mr. HARKNESS: Would the minister explain what he means by the dollar duty and why it is added?

Mr. GARDINER: That is the duty a Canadian farmer has to pay if he wishes to market his hogs to-day on the Chicago market. He would not get quite as much for them as if he marketed them on the Winnipeg market.

Mr. SENN: But the United States farmer would get more.

Mr. GARDINER: The United States farmer would get more, yes, but the Canadian farmer is the one being discussed. The United States farmer would pay more for a great many things, even his labour. While I am mentioning that I want to say that I quite agree with what has been said with regard to the increased cost of production of all these products, owing to increased labour costs and the great difficulty of getting labour at all with which to produce them. That is admitted all across the country. I know that because I hire farm labour myself and I know that I am paying as much for farm labour to-day as I have ever paid at any time, even at the end of the last war. There is difficulty in that as it is related to the cost of production of all farm products. The more labour that is involved—there is more labour in producing butter than in producing cheese, more labour in producing hogs than in producing cattle, and so on—whichever one involves the greatest amount of labour in the cost, of course suffers the most in production from time to time under present conditions. The production of that which requires the kind of labour which some people object to doing suffers more greatly at a time of high return than it does at a time of low return.

Mr. ROSS (Souris): Following that production of whole milk, added to the figures the minister put on record, I have the current Review of Agricultural Conditions for April, which points out, at page 13, that the production of whole milk shows some decrease for March and April as compared with a year ago. So the production of whole milk is on the downgrade, and as the hon. member for Mel-

fort said, when you get west of the Red River valley there is very little cheese production. I am told by dairy officials in Manitoba, where conditions favour us to a far greater extent than in Saskatchewan, that our creamery production is down over 20 per cent. However, the figures which the minister is putting on the record will show exactly what the position is. I should like to couple my request with that of my leader as to the cost on each side of the line, including grain, which of course does not come under the Minister of Agriculture but under the Minister of Trade and Commerce. The price of wheat to-day in the United States is a little over double what it is in Canada, not taking into account the participation certificate. But the question I should like to ask the minister is based on his own argument of last Monday and this afternoon. A considerable number of dairy cattle are exported to the United States, and they should be; I do not disagree with him on that point. I have asked repeatedly in the last two or three years that we be allowed to export beef cattle on that basis to the United States market. But if it cannot be done, as it was done at one time on the quota basis that prevailed before the government put on the embargo, then the request of some of the provincial ministers, including the minister in the government of Manitoba, might be given serious consideration. That is to say, when we have a glut on the market in the fall, or a condition such as existed in the yards about the end of April, when the packers took control of things and gave the producers a rather raw deal, permits might be issued for the shipment of a limited number of cattle to the market in the United States. All the ramifications of this suggestion have been pointed out by the provincial ministers. They have shown how the matter might be worked out and the differences pooled, as was done in connection with exports of barley and oats in the case of the Canadian wheat board. Can the minister say whether we may expect some entry into that market to the south of us for our beef cattle on the same basis as for dairy cattle exported at the present time?

Mr. GARDINER: The question that has been raised is one that has been discussed a number of times. I think it will be recalled that in 1942, when it was first brought up, there was widespread opposition to the closing of the United States market for the export of beef cattle. That opposition, I believe, was just as strong on this side of the house as on the other. For quite a number of years a battle had been fought to get as free admission as possible into the United States market for our beef cattle, and under the marketing agreements of 1936, renewed in 1939, half of the duty was taken off; it was reduced from three cents a pound, under the normal duty rates, to a cent and a half. Under that arrangement we were sending to the United States 193,000 beef cattle weighing over 700 pounds. We were very much concerned when it was decided that if we were to be able to eat any meat in Canada, when we were sending most of our bacon and ham to Britain, we shall hold our beef in Canada. I do not want to enter into a discussion of the prices policy, but it will be admitted by everyone that if we had left the United States boundary open we would not have had beef cattle at all under the maintenance of price control. If we had had ceilings on products in this country and allowed the free distribution of food into the United States, where higher levels prevailed for such food products, we would have been without food in Canada. But in the early stages, prior to 1942 when the plan of sending meat to Britain was evolved, we were in the war and so was Britain, but the Americans were not, and the policy evolved then on other products was continued with regard to beef. It was felt that the only effective way of handling the situation on the two sides of the line, while still giving pork products to Britain, was to keep beef on this side of the border and to feed beef to our troops in camps on this side while sending ham and bacon overseas. Most people will say that that was all right at that time, and all will be inclined to agree with the policy as then applied.

That brings me to the present position. The present position is that we are sending a very much larger volume of beef to Britain than we have ever sent to the United States at any time. I hesitate to use the figures for 1945, although I have seen them quoted in the press, but it is between 400,000 and 500,000 beef cattle as against 193,000 we sent to the United States under the agreement we had at the beginning of the war. These are not all well-fed cattle; 126,000,000 pounds went out last year in cans. Canned meat comes from the kind of cattle that most farmers are anxious to get rid of and for which they do not find a good market in Canada or in the United States. In the process of improving their herds they ship out canners, and we got rid of between 400,000 and 500,000 head of cattle in that year.

That is the situation which now exists. It will have been noted that in the statement I made to the house after coming back from Britain I did not give figures with regard to the beef contract. The reason was that the British are most anxious to get all the beef

we can send them, and they are not dickering in any way about the price. That simply brings us back to this position, that if we are to maintain price controls in order to have any food at all in this country—that is, food of that kind—we must maintain certain levels with respect to it. If we are desirous of raising the prices to where there is no control at all, then I suppose the price in Canada would go as high as the bid from either Britain or the United States for beef. If we permitted that to happen we would consume whatever we desired here; the Americans would get whatever they could at whatever price they might pay, and the British would have to take what was left.

Mr. ROSS (Souris): I suggested that the government might consider the permit question. The prices of oats and barley were just as far out of line as the price of beef, but when we had the commodity to spare it was exported under a permit system. The provincial ministers of agriculture have asked the federal authorities to institute such a system so that we might have exports on a permit basis. Is that possible?

Mr. GARDINER: It is a very difficult thing to do. Grades often run all the way from canner cows, up, and much of what we send to Europe consists of canner cows. It would be difficult to carry that out. Of course, it is possible to do almost anything, but I am sure that the administration of a policy of that kind would be almost impossible. With grain, it is a simple matter. All our grain is graded in Winnipeg; there is no difficulty establishing grades and relationships between grades. But it would be difficult to do that in this matter, having regard to the United States position. We have limited the amount of red and blue beef which can go to Britain. We have said that our people are entitled to the top grades, the blue and red brands of beef, and we insist that only a certain proportion shall be shipped out. If you open the United States market wide, that is, to the kind that goes to the United States, the only kind that goes to advantage, which is the very top grades of beef, you introduce a question that must wait for final decision until we are prepared to change our policy with respect to price control.

Mr. ROSS (Souris): Would the minister mind doing what he did in connection with dairy production, putting on *Hansard* the figures for cattle production from 1939 to date? It is my belief that beef cattle increased in far greater numbers than dairy cattle throughout the war years. West of the great lakes the increase I believe has been 42 per cent from 1939 to date. If the minister could put those figures on *Hansard* it would be enlightening.

Mr. GARDINER: I have them here and I will try to get them put on *Hansard*.

Mr. BRYCE: Have we any agreement with the United States to take up in the post-war period the commitment we had previously, or has Mexico taken over what we lost? As the minister knows, Mexico had a percentage, and we had the rest. Have we lost that entirely now, and shall we have to reestablish that when we return to normal conditions?

Mr. GARDINER: Before the war Canada's quota was 76 per cent of three-quarters of one per cent of the consumption of the United States, which of course is a very small part of their consumption. As I say, 76 per cent of that was allowed to come in from Canada, provided that we produced it, and 24 per cent came from Mexico. When by arrangement between Britain, the United States and ourselves the boundary between Canada and the United States was kept closed, we entered into an arrangement under which we agreed that they should take whatever beef they could get from Mexico, but at the same time it was agreed that when conditions changed and we were desirous of having that market again, the relationship would be reestablished.

Mr. BRYCE: I am pleased to hear that.

Mr. SENN: As I recall the discussion in 1942, I believe the minister indicated that at that time the United States were anxious that we should not send beef over there, even to the amount of our quota. Are they still of the same opinion, or are they willing to take our cattle now?

Mr. GARDINER: That is true, except with regard to the date. In 1942, when we first took this action, I think I said it was merely a matter of protecting our own position and that of Britain in relation to food. But later on, when we were suggesting that the market in the United States might be opened, I believe in the latter part of 1943 or the early part of 1944, when I first went to Washington in connection with it, I took up the matter with the then secretary of agriculture and asked him the direct question, reporting his answer to this house later. He said they preferred that we should send our beef directly to Britain under our own mutual aid plan of financing, rather than allow it to go into the United States, in which case their producers might claim that they were indirectly lease-lending Canadian beef. That was the position taken at the time and maintained

right down to the end of the war. I do not know that the Americans would maintain that position at the moment. The situation is a little different now, but I think we should give full consideration to the question of whether or not we are to stop sending beef to Britain at present, when she is in great need of it. I believe we are now the second largest supplier of beef to Britain. For a long time we were right at the bottom of the list. Today, however, we stand right next to the Argentine; and it is a question whether we should attempt to remain in that market. I am not speaking now of a long-term policy but merely for the next three or four years, during which time they would be prepared to take all the beef we could supply. If arrangements can be made under which, by sending beef to Britain we would get returns as good as we could get by retaining our controls and sending beef to the United States the present relationship with the United States, I believe most people would say, well, let us send it to Britain. It is on that basis we are considering the matter at the moment.

Mr. SENN: I do not recall the minister's words exactly, but a moment ago I understood him to say that we were realizing a higher return on beef sent to Britain than on beef sold on our home market. Is that correct?

Mr. GARDINER: No, I did not make that statement. The position is that in connection with red brand beef under the agreement we buy beef to send to Britain only when it is a quarter cent or more under the ceiling, until we get up to a certain level in quantity. If we get up to that level, which we have not reached so far, the spread goes to one-half cent. On the lower grades of beef the margin is $1.25; in other words, we do not purchase it until it is $1.25 below the ceiling. So that they are never paying more for the beef than is paid for it here.

Mr. PATRICK H. ASHBY (Edmonton East): It is a well known fact that the price of beef cattle drops in the fall, because it is claimed that grass-fed cattle are not as good as grain-fed cattle. Extensive tests have been made in this connection, and if there is any difference between grass-fed and grain-fed cattle it is in favour of those fed on grass. The beef from grass-fed cattle is of superior quality to the beef from grain-fed cattle, as can be observed by any farmer who raises beef. In the fall the cattle come in from the grass in good flesh. They are in wonderful, healthy condition. Put them in the barns and feed them on dry feed and grain, and no matter how well you may take by the following March, when prices are better. I say prices are lower in the fall, instead of saying they are higher in the spring, because that is true. If anything, however, the price of beef cattle should be highest in the fall. A great many people do not realize that when the packing plants slaughter these animals the meat is not consumed immediately. All during the winter this meat is sold at the same price as grain-fed cattle, and that continues away into the next summer.

When we speak of agriculture I am interested in this subject, for my father and grandfather spent their whole lives in this business. The other day I picked up the *Western Producer* of April 4 and saw a little paragraph which I should like to read:

> The Farmers Grow Old
>
> There is a startling and nonetheless disturbing inference to be drawn from a recent report that the average age of farmers in Saskatchewan . . . is 53 years. The Saskatchewan government reports further that 5,000 farmers are over the age of 68. There is no reason to believe that this condition is not reflected in the other prairie provinces and, possibly to a similar extent, in the other areas of this country.
>
> While the world pleads for food and more food, Canada's agricultural population progressively grows older, and, consequently, weaker and less able to produce. This condition started some years before the war, as the cities drained off the more adventurous and virile of the farm manhood. It was accelerated in pace by the war, as tens of thousands of young men left their plows and harrows to join the services or seek higher pay in the war manufacturing centres. There is little indication that the men are going back in anything near the numbers in which they left; if anything, the depletion continues.
>
> Figures show that during the last four years of war alone 300,000 persons left rural areas in Canada for the cities. Four-fifths of the migration came from the prairies, half of that from Saskatchewan, where the need for farm labour presently is greatest. Whence comes then the new and strong blood and sinew for the nation's farms? That it must be found is inescapable. How it is to be found is another matter.
>
> There must be underlying cause for this unhappy and disturbing picture. Is the risk of agriculture, especially specialized agriculture as we practise it in this country, too high and the reward too small? Are the hardships of farm life not compensatory for the basic security which it is designed to provide? Is the wage scale in relation to effort for farm labour too low?
>
> In 1944, at the general synod of the Church of England in Canada, Rt. Rev. A. H. Sovereign, Bishop of Athabaska, pointed out, in a survey of farm conditions in this country, that, although one-third of the nation's population lived on the land ,it received only one-seventh to one-tenth of the nation's income.
>
> The Lever Brothers' report of last October showed that only one-third of Canada's farms have inside running water; that only 35 per cent of the farms have inside toilet facilities; that very few have bathtubs or other amenities regarded as normal by the vast proportion of city dwellers. Further, despite the enormous strides

made in recent years in the development and distribution of electric power, the proportion of farms with electricity is still relatively low.

There must be a reason for this migration from the farms to the cities. I think I can give that reason by just reading a sentence from a letter I received from my sweetheart—my wife. I had written asking how the boys were getting along. One of those boys I took out of school, the other from college, so that they could work on the farm during the war, sacrificing their education and possibly their future in order to produce food for our boys overseas and our people at home. She said in her letter that the boys work from 5 a.m. to 9 p.m. That is sixteen hours a day. Mind you, my wife got up around half-past three or four o'clock in the morning, because she had to get breakfast for those boys. They do the chores before five o'clock, and are out on the tractors by that hour. They continue steadily, driving those tractors all the time until nine o'clock in the evening.

Now, what about my daughters, my little girls? What are they doing? They are cooking and helping with the chores; they take out the sandwiches and, as the boys go by, they hand the sandwiches to them while they are on the job.

Let us compare the work of my boys with that of an engineer on a railway. I think it is a damnable disgrace that any country like this should compel boys and girls to work sixteen hours a day on the farms, for their ordinary bread and butter. I tell you, it is a damnable disgrace.

The ACTING CHAIRMAN (Mr. Golding): I hope the hon. member will not continue to use language of that type.

Mr. ASHBY: Well, that was in the nature of a prayer—but I have not finished yet, and I quote from this letter: "The girls take over, so that the tractors never stop, except for oil and fuel." And these conditions exist in this day and age, in the Dominion of Canada. I wonder what the engineers on our railroads would do if they were compelled to drive their locomotives—a comparatively easy task, when compared with that of driving a tractor and handling the machinery behind it—for twelve solid hours each day, or for sixteen hours as these boys are doing.

The average railway engineer drives his locomotive under conditions of comparative ease, for a matter of four and a half or five hours each trip, and for that they receive about $15 or $20. That is the truth. It is not too much. What about the farm boys? Well, if they began to charge up to the costs of production at the same rates I am sure no one could buy a pound of butter for less than $5 or a pint of milk for less than a dollar. What is the solution? The answer is subsidies.

"Do we need butter to-day? Are we producing? Well, I told my boys to kill off the cows, to take them to town and sell them. I said, Do not milk any more; you are working hard enough." All my dairy herd has gone. Do we want butter? I can get back into the dairy business, but it requires a long time to do that—not just a year. It requires at least ten years to do it properly. A farmer is not one who looks only from one day to the next; he has to plan on and on, years ahead. I am sure no other industry would accept for one moment the financial returns that are found in connection with dairy production. The only reason the farmers accept the prices paid is that, above all else, they want freedom and security. They are willing to make great sacrifices in order to secure this freedom, that natural form of life which the farm can give them.

Just imagine! Young men by the hundreds of thousands leave agriculture, their homes and farms and all that life in the country means, to go to the cities because they have suffered the trials and tribulations on the farm—the debts, the sweat, the tears; yes, and the blood, mind you, because there are more accidents and fatalities suffered on our farms than in any other type of industrial activity. Anyone who doubts that should read the records of the United States.

Why do we have this condition? Because the farmers are overworked, overtired. No other animal, certainly no human being should be expected to keep going on and on for twelve or sixteen hours each day. No wonder that some of the women on the farms go to insane asylums, and that after twenty, thirty and forty years or more of toil, and some of the men become similarly affected. They have too much work and worry.

Surely this is a disgrace. But I did see a ray of sunshine in the speech of the Minister of Labour when he said that we were living in a comparative paradise. Yes, he said that this country is a paradise. True—but at the expense of those who work and toil.

Any hon. member who doubts that we live in this paradise should set his alarm clock for four o'clock in the morning; jump out of bed—don't bother dressing, because there are very few around at that time of the morning. Just run outside as you are, and if you go up or down the street in any city you will see bottles of milk sitting on the doorsteps of almost every house, where the pixies left them during the night. But the majority of people have not for one moment considered where that milk came from. They take all

these things for granted. They will say, of course, that the milk man was there early in the morning making deliveries. But those of us from the farm know that before he made his deliveries the farmers were hard at work. The farm men, women and children were milking the cows.

We take too much for granted these days; and that is one reason I disagree with the Minister of Labour when he says that he does not like strikes. I think strikes are a wonderful thing, if for no other reason than that they remind us that there are human beings who work, toil and slave to produce the abundance we are able to enjoy in this comparative paradise.

While it is not true that we are living in an actual paradise, it is true that we do have a paradise, right here; for I believe God's work is always perfection. Most of these trials and troubles are not due to God's stupidity, ignorance or negligence; rather they are due to our own foolishness and stupidity. We can blame our so-called experts. I heard one minister make a reference to "his experts". They are the ones we should hold responsible. They are the ones upon whom we can put our finger and say, "You are responsible. Now, answer a few questions." We have not yet begun to hold our peace-time crime trials; the war-time crime trials are not yet completed. But I believe we should hold a few sittings, when we could call some of these experts to the witness stand and ask them a few questions. We could ask them why there was all this poverty and wretchedness before and since the war. Did we win the war? Have we won? Well, when it was declared that we had won the war hats were thrown in the air and everyone was happy. But we have not won; no, we are still being robbed of our production and hard-earned money. At the same time we are not producing to capacity.

I am a farmer and I should like to go ahead and produce dairy products because I specialized in dairy bacteriology. I should like to have on my farm a good dairy herd and to produce something of real value. Farmers are like gardeners and artists. Now, take this gardener—

An hon. MEMBER: You take him.

Some hon. MEMBERS: Oh, oh.

Mr. ASHBY: I mean the gardener outside. Look at the beautiful flowers he has placed at the front of the building for us to look at and enjoy. Why did he not put them over the hill down by the river bank? He did not do that because people would not be able to enjoy them. The farmer is just like that; he likes to produce something that the people can enjoy. Then take our Gardiner, the minister. I was pleased to hear him say that the farmers down through these valleys in Ontario were proud to produce cheese that was enjoyed by the people of Britain.

That is true with us all. The majority of people are proud of their work and want to do their best. But many of these rules and regulations, this orthodox economy and these crackpot ideas prevent us from going ahead. We have the ability; we have the natural resources; we have the need and we should be able to go ahead. But the experts say, "You cannot do this."

There is another matter I should like to deal with—wool. The price of woollen goods indicates to me that wool is a necessity and that it should be produced. Yet on my own farm I have cut the production of wool at a time when after twenty-five years I am in a position to produce it to capacity. Many people take wool for granted and do not stop to think what goes into its production. Considered from a practical point of view the wool grower has an investment in his land equal to that which the average professional man has invested in his business. In addition, he has to buy thousands of fence posts at twenty to twenty-five cents apiece. If he employs someone, say a dentist, to bore holes in the ground and he is charged the same price as would be charged for boring a hole in a tooth and filling it, the added cost of producing wool would be such as to make it impossible for people to buy it, except in very small quantities. Under such circumstances wool would probably be framed in glass or in a glass bowl for people to admire as the marvelous product it is. The risks involved are the same as those involved in any other form of live stock raising, with certain exceptions.

Wool

When I started out in sheep I was advised by agricultural experts not to start with purebreds but to buy a few good range ewes. I bought those range ewes and tried to fence them in. I found I had to go to town to buy some snare wire, not to be used as most hon. members may think, but for the purpose of catching some jack-rabbits. I lived on Jack-rabbit for about three weeks in the hope of building up enough speed to be able to round up the sheep.

When it came to shearing time I did have some difficulty. I remember my little boy looking up into my face with his big brown eyes and asking me what I was going to do. I said, "Daddy is going to shear the sheep." All right, if daddy says he is going to shear the sheep, the sheep will be sheared, thought

the child. Was not daddy a big soldier man from the war; was not daddy a redoubtable man? Of course he was. But I had my doubts.

I started forth with a hired man. The hired man was inexperienced and we did have some difficulty. I remember that I was nearly played out catching the first one but I finally got it on its back. Then I found I was faced with a worse job than ever before because there were four sharp feet flying around in all directions. However, I finally managed to get it up on its rump and started in to shear. I am pointing out these things to show the real value of wool and the tremendous real cost of producing it. I have read of similar instances which had occurred in basements of department stores at bargain counters during recent years in which certain members of the fair sex were involved, but I had no experience along this line.

I had no sooner got the wool off one side than the sheep managed to run its front feet up under my shirt and ripped it off my back. My little boy was jumping up and down and shouting, "You are winning, daddy." I got the other side off, but the perspiration was running into my eyes and falling off the end of my nose. I was just about to finish cutting the last little lock off the end of its tail when it got both hind feet up the legs of my pants and after a tremendous struggle it broke loose and we parted company. The sheep staggered off minus its coat while I sat on the ground minus my pants which my little boy retrieved for me. The hired man called it a draw.

These are just some of the trials and tribulations of producing wool. Then to think that all I received for that wool was from twelve to fifteen cents a pound!

An hon. MEMBER: Look at the fun you had.

Mr. ASHBY: Then it was minus the cost of the sacks, minus the twine and freight, minus this and minus that, and by the time I bought a shirt to replace the one that I lost I was in debt. What is the solution?

An hon. MEMBER: Tie up the sheep.

Mr. ASHBY: The solution is really very simple. It is not for us to decide how it shall be done because the minister has indicated that there are experts available. All we need to do is to tell the experts: "Ways and means must be found so that all those employed in agriculture shall receive a just and fair price for"—I was going to say for everything they produce or for all they produce, but it is not my duty simply to produce something and then say that I shall be paid for it, like it or lump it. Somebody should decide what I as a farmer should produce, and the quantity that I should produce. The producer should receive a sufficient return, and, what is more, his dollar should be able to buy one dollar's worth of goods instead of thirty cents worth, which is all it buys to-day. His dollar should have a full dollar's worth of value. The consumer should be able to choose what he wants from our farm production and the farmer should receive a fair and just price for the products the consumer demands from him. That means bonusing, and keep on increasing those bonuses. It can be done without increasing the price to the consumer.

I was ashamed of the Minister of Labour on Monday, a man from Sussex, from Britain, actually saying—and if I had been sitting beside him I would have slapped his wrist—"It cannot be done. Grown-up men know it cannot be done." If that be true, and it is not, then I hope I never become a grown-up man because I assure the minister that it can be done and will be done, and I am certain that it will be done in our life time. It requires only simple adjustments to be made to our present financial system, which is all right, mind you. I do not think there is any financial system ever devised by the mind of man which is equal to ours, with one exception. It is not up to me to say what that exception is or what minor adjustments should be made or how they should be made. They are simple and can be made, and if the experts do not bring about those needed changes there is only one alternative, and that is an ultimate world dictatorship. Then, indeed, we shall all be slaves.

Mr. TOWNLEY-SMITH (North Battleford): Mr. Chairman, I listened with a good deal of pleasure to the hon. member who has just taken his seat but with some trepidation when he got to the point where the sheep appeared to commandeer his trousers. But he did not explain and I should like to know just how he managed to shear the rump of the sheep while it was sitting on it. Perhaps at some later date he will tell us.

At the outset I wish to express my appreciation of the fact that the agriculture estimates are going up and to compliment the minister on his success in being able to do this little trick, because in times like these, when everybody is so anxious to cut down all expenditure, I realize that it is only with the greatest difficulty that any estimate can be boosted upward. Of course, I still feel that these estimates are too low. Our agricultural people have always considered that the amount that was spent on agriculture to improve its methods and do the different jobs that had to be done to that end was very low

indeed. The last figures available, those in the "Canada Year Book, 1942" show that $2,136,000,000 odd was realized from the sale of agricultural products of all kinds in the previous year. Two and one-quarter billion dollars is a considerable amount of money, and when we spend only $19,000,000 on trying to boost that figure, it is not very much. However, we must be thankful for small mercies and as an agriculturist I appreciate the fact that attempts are being made to improve the position of the industry.

When I had an opportunity of speaking in this house some time ago I made the statement that a country which could produce at the lowest cost, the highest quality article, would get the world market. The Minister of Agriculture this afternoon referred to that phase when he said that he did not consider it was possible for us to enter into successful competition with New Zealand, for instance, in the dairy industry, because we cannot compete with their climatic conditions. I still believe as I have said before in the house, that in the last analysis we shall find all the nations of the world compelled to grow or produce or manufacture that thing which they can most economically grow or produce or manufacture.

Those countries will be able to capture the world market which can keep down costs of production. Costs of production establish the selling price of any commodity, and I was wondering how we can reduce production costs in agriculture.

There are two things that can be done if and when these production costs are reduced. The manufacturer or producer can secure more profits or, second, he can reduce the price at which he sells his commodity. I think the latter is the more desirable because in that way it will be possible to secure and make sure of a market, if we keep the price down and the quality up. But keeping the price down is a very important factor. With that thought in mind I give it as my opinion that tariffs, quotas and trade restrictions will have to go. I believe, as a matter of fact, they are out. Undoubtedly they have been war-producing. They have been the means of creating more ill will and trouble between nations than any other thing.

How can we cut down costs of production in agriculture? It is said that when Marquis wheat was king we lost one crop in five from a disease which we have all heard of and which is known as rust. That is, twenty per cent of our crop was lost because of this terrible scourge which we experienced for so many years in the western provinces. When eventually our plant breeders and plant pathologists were successful in producing a variety of wheat which was resistant to rust we saved one crop in five, or twenty per cent of our crop. In other words, our production costs were cut twenty per cent by the single factor of producing a variety of wheat resistant to rust. Any time that we conquer a plant disease, and any time that we conquer the effects of insect pests in agriculture, we are reducing our costs of production. This work is being done by our agricultural scientists, and I want to touch briefly on them in passing.

They have done and are still doing an extraordinarily good work in agriculture. It is of the highest importance that we should see to it that the services of these men are retained and encouraged in every way. I wish to acknowledge what the minister has done in this respect and to commend him for having started to raise the salaries of our agricultural scientists. I have in my hand a list of the men whose salaries have been raised, and I notice that the increases range all the way from $60 to $900 and that very few received only a $60 raise. Most of them received liberal raises. I have no doubt that this will be the means of encouraging these men to stay on the job and give us further assistance in our agricultural work.

Recently one of these men has been the means of discovering or originating another variety of wheat which has proved itself resistant to a pest known in the west as sawfly. Every year for a good many years the losses from sawfly in the western provinces were anywhere from $15 to $20 million. So that it does seem as though we could afford to pay a reasonable salary to a man who can provide us with a variety of wheat which is resistant to the attacks of the sawfly. Losses in the western provinces from weeds amount to $70 million per annum. It would be worth a lot of money to us if some of these men could tell us how to avoid these weed losses. Another disease we have in the west is known as smut, and that costs us $20 million a year. If we could get rid of these things our production costs would be cut down and we would have a much better chance to compete in the world market. The agricultural scientist can save us all these losses if he is encouraged to do so, if the money is found for him to work with, in his laboratories and in other ways. These men must never be allowed to ease up on their work; it is never finished. I think I have told the house before, but it will bear repetition, that rust, which cost us so many million dollars a few years ago, and which we think we have conquered, could easily come at us again from another angle. We know there is a considerable number of varieties of rust. We have successfully stopped the

attacks of this particular disease in the wheat fields; but there is always a chance of another variety of rust turning up which will immediately knock all our plans galley-west, which will upset all the work that has been done, and we shall immediately run into the difficulty all over again. So that our men must be kept working all the time. They cannot stop when they have succeeded in what they have set out to do, because hazards are always present and must be considered at all times.

One aspect of agriculture about which I should like to talk for a few minutes and which I do not think has been discussed very much in this chamber, is the question of seed. In the last few years there has sprung up in this country, a seed industry the value of which is not appreciated by a great many people. We used to import a tremendous quantity of our seed. The situation is now changed, and we find ourselves with an export trade in seed. It affects not only the prairie west but all the provinces. As a matter of fact some of the eastern provinces are gaining substantially from the growing of vegetable seed, as also is the far western province of British Columbia. Some of these figures might be interesting to the committee.

In 1939 this country produced 104,000 pounds of beans; in 1944 we produced 850,000 pounds of seed. Beet seed in this country increased from 4,000 pounds in 1939 to 80,000 pounds in 1944; cabbage seed, from 55 pounds to 6,500 pounds. Perhaps 6,500 pounds does not seem to be a very large quantity, but all things are relative, and a pound of cabbage seed is really a lot of seed. As a matter of fact—to come to one other kind of seed—in one ounce of tobacco seed there are roughly 90,000 seeds, which will plant ten acres. That is, one ounce of tobacco seed is in this respect the equivalent of fifteen bushels of wheat, for it will plant ten acres of land. The production of carrot seed has advanced from 10,000 to 221,000 pounds. There was no corn seed produced until 1943, and in that year we had 560,000 pounds, and so on all down the line. There is a swede turnip seed which is grown by farmers in the maritimes, the amount having increased from 11,000 pounds in 1941 to 161,000 pounds in 1944; and that, as I have said before, is a tremendous lot of seed.

Tobacco seed is grown principally in Ontario. It is a very difficult thing to secure, because it has to be disease-free, and even the soil in which the tobacco plant is grown has to be sterilized before it can be safely used for this particular seed. Turnip seed is grown in New Brunswick, Nova Scotia and Prince Edward Island. The Laurentian seed, as it is called, provides hundreds upon hundreds of carloads of turnips grown from Canadian seed. In Nova Scotia, where this seed is being grown, the authorities marked off one area in which no other variety of seed was allowed to be grown except this one particular variety. It is the first time that any such experiment has been made. Beetroot seed is being grown in the maritimes to a great extent. I could name the number of thousands of pounds, but I do not wish to bore hon. members. But an interesting thing happened in this connection. One pound of a very special variety, Detroit dark red, was sent out to a trained grower, who returned the next year, for the one pound which he used, 275 pounds. The five other pounds which constituted the remainder of that particular seed was sent out to untrained men. All this seed was lost; it became mixed with other varieties. Hydrid corn is another strongly entrenched seed product. It takes a long time to get a start. Twenty years are taken in developing the inbreds, and then the matching, as it is called, is done on an Ontario farm and produces a single cross which is used for the seed. There has been a tremendous increase in the amount of corn and a tremendous change in the type of plant which has been grown. It is stated that the type of plant grown from these hybrids has made possible the use of harvesting machinery for corn. Previously this was not possible because of the weakness of the stem; when there was a rain or a wind storm the plant went down; but now it stands up; machinery can be successfully used, and the saving has been tremendous. Vegetable seed is grown particularly in Ontario and British Columbia. There are six strains of onions developed by British Columbia growers and now used all over the world. That is particularly interesting because I have been told that the bulbs which are used to produce this onion seed are sometimes more valuable than the seed itself. Yet the growers continue to use them, and having established their market they have continued to keep it supplied.

In 1943-44 export seeds were as high as 4,500,000 pounds from Canada to the United Kingdom, consisting of carrots, beans, peas, cauliflower, lettuce, parsley, spinach and so on, and it is said that on the basis of average seeding and yields, these seeds produced 2,500,000 tons of food. In other words, that was the quantity of seeds that Canada shipped over in 1943-44 at a time when they were badly needed.

As regards cereals in the western provinces, in 1943 there were sown to wheat seventeen and a half million acres, representing 26,000,000 bushels of seed, and in the same year 15,000,000 acres were sown to oats, requiring 40,000,000

bushels of seed, and 8,500,000 acres of barley requiring 13,000,000 bushels. In fact, in one year, 1940, we sowed 28,750,000 acres to wheat, which required 42,000,000 bushels of seed. That is a lot of seed, and that particular crop produced over $540,000,000 worth of wheat, even at fifty-two cents a bushel.

It can be seen, therefore, that this matter of seed is very important—important as a seed industry, and important as a means of securing good seed for our own country, and because seed plays such a fundamental part in our own production. I often wonder whether hon. members as they sweat over their garden patches pay sufficient attention to the quality of the seed they use, because all those backaches they endure at the end of a spade or shovel handle are wasted if they buy inferior seed. It is important that they should secure seed of the best quality.

There are in this country many agricultural organizations who are doing very good work but who are not known much outside their own orbit. They work in a little district or community and that is the only place in which they are known. There is such an organization, probably new to a great many members of this house, known as the Canadian Seed Growers' Association, or C.S.G.A. to use its initial letters. These people are responsible for taking care of all pure-line seeds.

A point that is not generally recognized is that when a plant breeder has secured what he was after, either a rust-resistant or an insect-resistant seed, he has only a very small quantity of seed, probably only a handful. The important thing is to get this handful out to the farmers in the country who require, in some years, 42,000,000 bushels of seed. But this very small handful is all there is, and if it becomes mixed with anything else, it is useless because all its good qualities are lost. Someone has to take over the job of multiplying this small quantity of seed, and he has to take care in the process that it does not become fouled or mixed with anything else. This work requires training and patience and it takes a great deal of time. That is one of the principal objects of this organization known as the Canadian Seed Growers' Association. The association has not a very large membership, but these special seeds are handed over to the members for production and multiplication purposes, and they are the people who, because of special training and because of their willingness to devote their time to this kind of work, reproduce and multiply this small quantity into larger supplies, so that they may become available to the farmers of the land.

The scientific work is useless until all the farmers who require the seed can get it, and if these trained workers produce a rust-resistant seed all the farmers in the west should be supplied with it. It takes a great deal of time to multiply that seed, and purity is the important factor. Indeed, everything has to be taken into consideration. The land itself in which the seed is to be sown is generally a piece of summer-fallow. But that summer-fallow has to be cleared of all other growth and of all extraneous matter. If animals went across it last year it is absolutely useless for the purpose of growing the new variety of seed. If the machine that is used to do the seeding, the seed drill, is not thoroughly cleaned and every last seed taken out of it, it is of no use and it will spoil the whole set-up. It has to be thoroughly cleaned so that the crop will be absolutely pure. The same is true of every other implement used in the process. The threshing machine is probably the most difficult for the grower of pure-bred seed, because it is a physical impossibility to get every seed out of that piece of machinery. Any hon. members who have had experience with a thresher will realize the difficulties it presents. The result is that a good deal of pure seed will not be threshed in a threshing machine but by hand, with the use of a flail. Older members who were raised on farms will know what a flail is—a long stick with a short stick tied to it, the object being to swing it round the head without hitting the head but, instead, bringing it down on the sheaf of grain. In other words, we have to go back to the old methods because we are afraid of introducing foreign matter into the seed. Again, we have to use a floor that has not been used before because there may be in the cracks some grain from a previous occasion.

It is a terribly tedious job, and all these dangers of impurities getting into the seed are not the only things we have to worry about. There are other things the members of the association have to cope with.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. TOWNLEY-SMITH: When the committee rose at six o'clock, I was trying to show the importance of an organization known as the Canadian Seed Growers' Association, and was pointing out the difficulties they encountered and the excellent work they were doing in keeping pure, certain lines of seed. The possibility and danger of mixtures which I

described was purely a mechanical matter. I mentioned those which might take place in the ground and those which might take place in the drills, and the machines used by these growers. When mixtures happened for these reasons, that would be purely a mechanical matter. However, other mixtures take place in the natural growth of the plants. You get cross-fertilization between plants of the same family, so that great care has to be exercised; and there is difficulty in differentiating between a cross-bred plant and one of pure strain. The members of the Canadian Seed Growers' Association have trained themselves so that without a great deal of difficulty they can recognize cross-breeding in the different plants, in their fields and plots. They have to keep great distances between those plants which are of pure strain, and those which are not. In the case of corn, for instance, there has to be at least a mile between the pure lines and other lines. A distance of sixty feet is common between ordinary cereal lines in the close pollinated plants and greater distances have to be maintained in regard to those which are open-pollinated.

It is fortunate that all these different types of plants have something which enables the onlooker to distinguish them. The matter of the shape of a plant is very important, and is perhaps the first thing noticed by the breeder or the man going into pure lines. All these different plants have different shapes. Even different varieties of wheat have different shapes. Some varieties are bearded; some are not. So that these different distinguishing characteristics are observed by these members of the Canadian Seed Growers' Association, in their special work. There is no great harm in having a plant with a different shape, except that it indicates cross-breeding. There is no great harm in a plant having a glume of a certain shape, any more than there is any great harm in a Holstein cow not having a white splash at the end of its tail. The white tip on its tail is simply an indication of pure breeding, and if an animal does not have that white tip you cannot register it. That is an indication of the breed, and the same thing occurs within limits in plant life.

As I say, these men are trained to detect these different changes. Such variations or off-types are severely dealt with in the examination of the plots by members of the seed branch. That is one thing I have not mentioned. The registration of plants is obtained in exactly the same way that we have registration of animals. Just as we get a registered Clydesdale or a registered Shorthorn, in the same way we get registered varieties of wheat, oats, vegetable seeds and so on. Pure lines

[Mr. Townley-Smith.]

are obtained in this way, and certificates are issued. The Canadian Seed Growers' Association has the issuing of all these certificates, but the examination of the plots is done in co-operation with the scientific agriculturists of the Department of Agriculture. These men go around to the fields and examine them, in company with the grower and a representative of the association, and report what they find in the field. If sufficient impurities are in a field the field is not registered, and it is thrown out. Just there it may be of interest to hon. members to learn that a grower is allowed one plant in one hundred thousand slightly off type. In other words, his plot must be 99·999 per cent pure, which is extraordinary purity, reminding me somewhat of the C.C.F. party. Such purity is difficult to attain, as I am sure hon. members will agree.

Another point I should like to make is that somewhere there must be a source of pure seed, in exactly the same way that there must be a source of pure-bred animals. Certain men undertake to breed Hereford cattle. They keep the line pure, and other breeders know where to go if they want a purebred cow or bull. In exactly the same way you must have sources of pure-bred seed, and that source is the membership of the Canadian Seed Growers' Association. It must be quite obvious to hon. members that unless someone did carry on this work, very soon our strains would be all mixed up. We would have wheat, and that would be about the only way you could describe it, because it would be so badly mixed that we would not know what kind it was.

I wish to speak about this organization for a short time because I realize that it plays an important part in connection with the crops which are grown from seed in this country. Of the total of $2,146,000,000 I mentioned previously, some $1,120,000,000 represents crops grown from seed; that is, grain, vegetables and plants which have their origin in seed. So that it is quite important that this seed be kept pure. As far as the association is concerned, none of the officers receive any remuneration. The office staff, the secretary and those who are occupied in doing this work are the only ones who receive pay. The organization operates on a grant it has received for a number of years from this government. There was a time when the grant got as high as $25,000 per annum, and it will be noticed that in the estimates for this year the same amount is again being asked.

During the war years, however, it sank down to as low as $18,900. The organization has discovered it is not able to give service to its members on the allowance made to it at

the present time. On its behalf I am asking that consideration be given to increasing the amount of this grant. As I have already said, it is being increased in the estimates from $18,900 to $25,000 for 1946. Unfortunately, however, the organization had hoped that it would get that increase in 1945, and it worked on that assumption, with the result that it finished up somewhat in the hole. I am suggesting, therefore, that the minister consider making arrangements for the amount short of $25,000 which was given last year, and that there be included in the supplementary estimates a further grant of $6,100.

I believe that is all I have to say on the point. I feel I have not made too strong a case for the organization. It is of the most extreme importance, however, that it be properly maintained, because if anything happens as a result of which these growers decide that they are not being properly recompensed, or that the time and trouble are too great, and eventually stop growing these pure sources of seeds, the whole economy of the country would be jeopardized. Incidentally, these people are not paid for the work they do.

I hope consideration will be given, by taking care at all times to see that the organization does not suffer from a lack of funds, so that it can carry on the excellent work it is doing. I have already said that only the secretary and the staff are paid. Provision is made for the expenses of officers selected from all parts of the country when they gather in convention. I believe that provision is allowed by the respective provincial governments.

Half of the officers of the organization are appointed by the different provincial departments of agriculture, and those departments take care of incidental expenses. It might be added that the work of the organization is one of the greatest cooperative movements to be found anywhere in the country. The plant breeders and plant pathologists in the scientific branches of the Department of Agriculture work, in turn, with the membership and officials of the association. These latter, in turn, work with the farmer members who actually grow the seed. I would ask that sympathetic consideration be given to the proper maintenance of the Canadian Seed Growers' Association.

Mr. JUTRAS: First of all, I should like to commend the hon. member who has just taken his seat upon his interesting speech. It was most constructive and well poised. I found it a real pleasure to listen to what he had to say.

This afternoon we listened to an interesting debate on the various aspects of agriculture. To complete the picture I should like to say a few words and make a few suggestions to the Minister of Agriculture respecting another branch of that industry, namely the growing of sugar beets. I believe the minister can be of some assistance to us in bringing to the attention of hon. members and the people generally throughout Canada the fact that the process of growing sugar beets is more than just an industry.

At the present time I believe the people generally view the sugar beet industry as just another industry, such as a shoe factory or any other type of manufacturing concern. There is much more to it than that. It is not just a means of employing labour. I believe efforts should be made in the Department of Agriculture to make the production of sugar beets an integral part of the general agricultural programme of the country.

It is my sincere belief that there could be a closer relationship between the agricultural representatives in the government and the field men. May I make it perfectly clear that I am not criticizing agricultural representatives, either provincial or federal, realizing fully that they work under strenuous conditions. There are too few of them, and their districts are much too large. It is impossible for them to devote all their time to all branches of the industry.

Still, from the federal point of view, I believe a somewhat greater effort could be put forth to try, if nothing more, to publicize more generally the benefits of the sugar beet industry to farming as a whole. In those areas in the United States I have visited where sugar beet factories are operating, those factories have been made part of the general agricultural programme of the whole district. Those districts depend greatly upon the sugar beet factories, not only for sugar but for the general development of agriculture.

I believe the department could do much to publicize the various ways the beet tops and molasses can be used in the raising of cattle and in the dairying industry generally. Then, it can be argued that the growing of sugar beets is an effective means of cleaning the land and getting rid of weeds because, as we know, where sugar beets are grown every weed must be pulled by hand. Consequently, even if only fifteen or twenty acres are cultivated in that crop, that much land is clean at the end of the year. If that process is repeated every year the point is soon reached where the whole district surrounding the factory is entirely free of weeds. It is also a

most effective crop for those who practise rotating their crops—and I believe we all do that. Certainly that is true in Manitoba.

I speak primarily, of course, for the sugar beet factory in Manitoba, which is relatively new. We had some difficulties, because we had to begin during the war. Labour conditions were hard to contend with and as an additional problem there were practically two total crop failures.

There is one suggestion I should like to make which I think would go a long way toward solving this problem. This industry should be brought under the jurisdiction of the Department of Agriculture. At the present time it is more or less divided between the Department of Agriculture and the Department of Finance. I believe there are difficulties because of the international complications connected with the cane sugar industry, but I think it would be possible to have the beet sugar industry under the Department of Agriculture.

I wish to make it clear that I am casting no reflection upon the Minister of Finance. I know I am speaking for our association when I say that they have been impressed with the earnestness of the minister and they appreciate the consideration they have always received from him each time they came to Ottawa. This industry should be made part of our general agricultural programme. If we could bring the industry under one roof as it were; if we could bring it under the Department of Agriculture alone it would be a start toward achieving our objectives.

The sugar beet growers of this country have never been given a chance to put their case before the people of the country. I know I speak for the sugar beet growers' association and I believe also for sugar beet growers generally when I say that these people are most desirous of being given an opportunity to lay their case before a committee of this house. If that were done the country would become more conscious of this industry; I was going to say this promising industry. It is a new industry as far as Manitoba is concerned, but it has been in existence for some time in other provinces and, as far as I can see, it is a successful industry.

If that were done it would go a long way toward removing many of the wrong concepts that people have about sugar made from beets. Some people think this sugar is different or is just an imitation of cane sugar. Some growers feel that they have been discriminated against. If they could be allowed to place their case squarely before a committee I am sure that the attention of the country would be directed toward the industry. I realize that there are many committees sitting during this session, for long hours each days and many days in the week. However, I am making this suggestion now in the hope that as the session goes on some of the committees will complete their work and it might be possible to have the committee hear the producers' case as well as that of the various sugar companies. Again I urge the minister to try to bring this sugar beet industry under the jurisdiction of his department. I know such a move would be appreciated by the sugar beet growers of this country.

For a few minutes I should like to deal with the administration of the Prairie Farm Assistance Act as it is applied to Manitoba. The administration of this act has resulted in many grievances in our province. It has been the source of misunderstanding. I doubt if there are many people who really understand the P.F.A.A. It is almost impossible to apply its provisions to Manitoba and the result is that all kinds of injustices are created. I know these are not intentional but, while the act may work to some advantage in Saskatchewan, in the wide-open spaces where the township is much smaller than in Manitoba, it has been impossible to apply it along the Red river valley where there have been total crop failures in the last two years.

I am not referring to what is ordinarily known as the Red river valley, I am referring only to the river lots and the first line of quarter-sections on both sides of the river. First of all, the act does not provide for river lots and it is next to impossible to apply it where there are river lots instead of sections. The departmental officials have tried to block off the river lots into something like townships, but when that is done in a country that is rolling and has a definite slant toward the river, the effectiveness of the act is destroyed and it becomes ineffective. I have discussed this matter at great length with dominion and provincial officials in an effort to find a solution. I have tried to find some way to change the act so that it could be made applicable to my province but I have come to the conclusion that that is impossible. As far as I can see, the best thing to do is to cut Manitoba out entirely from the workings of the P.F.A.A.

I have gone to the trouble of compiling some figures from the annual reports of the P.F.A.A. starting with 1939 in an effort to get a comprehensive picture. I have tabulated the money received by the farmers, the money paid out by the farmers, the money paid out by the dominion and the money collected by the dominion for Manitoba,

Saskatchewan and Alberta. With the permission of the committee I could probably table these because I do not wish to read them all. They give a complete picture of what has happened since the inception of the act.

In the case of Manitoba, in 1939 a total of $333,000 was collected and $875,000 was paid out. I am giving only round figures. In 1940 they collected $355,000 and paid out $615,000. So that for those two years we were not losing. But from 1941 to 1945 the picture is entirely different. In 1942 nobody drew anything out of the fund in the three provinces. In 1943 we contributed $779,000 and drew out $30,000; in 1944 we contributed $755,000 and we collected $159,000. In 1945 I do not know exactly what the figure will be, but it would look as if we would contribute in the neighbourhood of $500,000 and draw out about $23,000.

I wish to make it perfectly clear that I am not talking of P.F.R.A., but of the Prairie Farm Assistance Act, which was passed primarily, I understand, to assist the drought area in Saskatchewan and applies exclusively to Manitoba, Saskatchewan and Alberta.

The farmers are contributing one per cent of their grain sales toward the fund. Out of that fund they draw the moneys they receive. If the fund is not big enough the difference can be made up, I understand, by the dominion borrowing from the consolidated revenue fund.

So far as the dominion is concerned, it paid out in 1939 $10,000,000 and collected $2,000,000; in 1940 it paid out $7,000,000 and collected $2,000,000; in 1941 it paid out $15,000,000 and collected $1,500,000; in 1942 it paid out nothing and collected $2,700,000; in 1943 it paid out $6,500,000 and collected $4,700,000; in 1944 it paid out $6,000,000 and collected $5,385,000.

So that as far as the picture for the three prairie provinces as a whole is concerned I would take it that the act has been beneficial to Saskatchewan and Alberta, but so far as Manitoba is concerned we have contributed to the fund, in 1941, $303,000; in 1942, $482,000; in 1943, $766,000; in 1944 $600,000 and it looks very much as if we would contribute in 1945 between $400,000 and $500,000. Therefore it will be readily understood why I contend that this is not a good measure so far as Manitoba is concerned. There is a good reason for that. As I said at the beginning conditions in Manitoba are quite different from those in Saskatchewan and the township unit is far too big in relation to the average farm in Manitoba.

The picture presented by these figures looks brighter for Manitoba than it actually is because up until 1942 the P.F.A.A., under its provisions, was paying out on the basis of 8 to 12 bushels to the acre when wheat was below eighty cents. If wheat goes over eighty cents the act provides only for payment on 0 to 4 bushels, $2.00, and from 4 to 8 bushels, $1.50.

If that were done, under conditons to-day we would not draw as much as we drew in 1939 and 1940. I respectfully submit to the minister that Manitoba be exempted from the P.F.A.A. because we have given up all hope of ever getting any benefit from it.

I will go one step farther and make a suggestion to the minister, if I may. Keep on collecting the one per cent on grain sales, if not the dominion, then by agreement with the province, to establish some form of crop insurance. I do not think that is the right term because it would not exactly be crop insurance, but I will use that term for lack of a better. If you kept on collecting the one per cent and put it into a fund, it could be made into a real crop insurance fund.

I have here a "Report on Crops, Live Stock, etc. produced in Manitoba in 1945." It was issued by the department of agriculture and immigration of Manitoba. It does not claim to furnish definitely reliable information but it is approximately correct. It gives a very fair picture of the crop and live stock production of the province. It also gives the hail damage done in Manitoba. I have taken the years from 1939 to 1945 and fitted them into this pattern to see how it would work out. I am not going to quote all the figures, but let us take the acreage that was totally lost by hail damage and the acreage partly lost from that cause in those years. I arbitrarily take the figure of $2 an acre for total loss and $1 an acre for partial loss by hail. This would have cost the province, in round figures, $106,500 in 1939; in 1940, $86,000; in 1941, $65,000; in 1942, $128,500; in 1943, $211,000. I have not the figures for 1944 but for 1945 it would be $144,500, making a total of $737,785. A one per cent levy on the crop since 1938 would total $3,043,968.38. That is the total amount that was collected from the one per cent levied on grain. Add to that the actual amount that was paid out to the province, $1,692,736.20, and you find that over that period of years from 1939 to 1945 we could have paid out the same benefits as we have paid, and on top of that we could have paid out $2 and $1 an acre respectively for total and partial loss by hail damage. I do not like the term "insurance"—

Mr. GARDINER: Assistance.

Mr. JUTRAS: I thank the minister. We could under my suggestion have given the farmers who were hailed out some assistance.

I do not know whether this would be feasible, but what I have in mind is that the federal government collect the money and turn it over to the minister of agriculture of Manitoba, or if some arrangement could be made between the two bodies, that the federal government should step out, let the province institute a one per cent levy on grain, lend them the facilities of the Canadian wheat board to collect it, have the province put this money into a fund for the province, and then they could give assistance for damage by hail and floods, I believe it could handle those two. I do not think it would be wise to try to insure the farmers against drought, because in Manitoba, indeed in any province, when there is a drought it is such a general condition that it would be pretty difficult to handle it with any fund of this kind. To be able to do so, the provincial government would no doubt have to raise the levy on all grain, and I doubt if it would be feasible to raise it any higher. But, as I have pointed out, even with this one per cent levy I believe we could give a certain amount of assistance to the farmers against hail and floods to begin with, and then later, if the fund swells, we could provide further assistance to the farmers of the province.

Therefore this is the main suggestion I have to make to the minister. If my memory serves me right, though I was not able to put my hand on the actual speech in which I saw the statement, I believe the minister of agriculture of Manitoba, in the course of the budget debate of last session in that province, said he would like to institute some kind of—as he put it—crop insurance. I take it, therefore, that he would be sympathetic to the suggestion I have made.

I was surprised to find in the Prairie Farm Assistance Act a provision that the advance made by the Minister of Finance under this section shall be repayable out of the fund without interest. So that, even if we do accumulate much of a fund there, we do not stand much chance of getting a great deal out of it, because there is no doubt that this fund has been operating in the red ever since it started. I do not suppose it was ever the intention of the government that it would remain in the black. It was and is, as the title indicates, an assistance for unusual and extraordinary circumstances, and I repeat, as at least my personal opinion, that the people of Manitoba as a whole would welcome a change such as I have just mentioned. I strongly urge the minister to consider it seriously.

Mr. GARDINER: There are two questions which have been raised that I think I should answer before we get too far on with the discussion. The first was raised by the hon. member for North Battleford a few moments ago, to the effect that an amount of, I think $6,100 should be added to the vote to the seed growers. The fact is that when these estimates were first brought up I personally and the members of the department thought the $6,100 was in the vote. I think the mistake came about in this way, that last year an amount was put in which was reduced by $6,100, which brought the amount down to $18,900. This year it was intended that the $6,100 be added to the $25,000, and it was added to the $18,900. The amount is in the supplementaries; at least it has been submitted in the supplementaries. I do not think it was intentionally struck out by the treasury board. I doubt very much if it was understood, at the time it was placed before them. In any event it is being reconsidered and is before the board now in the form of a supplementary estimate which will probably be brought down later in the session.

The other question, which has just been raised by the hon. member for Provencher, is to the effect that some changes should be made in the Prairie Farm Assistance Act. That act is up for amendment this year; at least I have suggested that it be overhauled and some extensive amendments be made. It is my present intention, if it meets with the approval of the house, to have the bill when it is submitted, if it is submitted—I still have to get it by council—referred to the agriculture committee in order to give opportunity to hon. members to make suggestions, but more particularly in order to get them to understand fully the principle underlying the bill and its operation up to date. I had not in mind personally going as far as has been suggested by the hon. member for Provencher in connection with the amendment as related to Manitoba, the reason being that we did take some responsibility for placing the legislation on the statute books in its present form. There has been very considerable criticism, perhaps justifiable, in Manitoba on the ground just referred to, to the effect that they are paying one per cent into the fund and they do not get nearly as much out as they pay in.

On the other question, as to whether there was ever anything to come out of the fund as a result of what was paid in, if members of the committee will take the trouble to read in *Hansard* the discussions at the time the legislation was placed on the statute books in 1939, they will find it was contended that the amount collected from farmers would never amount—that is, over a period of

years—to more than one-fourth to one-third of the total amount which would be paid out. In other words, it was maintained that it was impossible—and at that time we thought the same idea might apply to Manitoba—to apply a purely insurance principle to payments required in connection with drought in areas so large as those affected in Saskatchewan and Alberta.

The question of insurance for crops had been under discussion in the west for many years, and many attempts were made to work out plans which could be based on the insurance principle; in other words, under which you could create a fund based on the payment of fees which at all times would meet the demands that were made upon the fund. But any figuring which was ever done with regard to the matter suggested the impossibility of ever being able to collect sufficient from farmers by way of fees to build up a fund large enough to take care of the losses that farmers incur in a year of serious drought. I think it will be realized that to insure a man against the loss of his crop would be impossible in a year like 1937, for example, when a province which has a long-time average crop of sixteen to seventeen bushels an acre had an average crop of a little over two bushels to the acre. One can see what an enormous amount of money would be required in a fund to take care of a situation of that kind. So that after considerable discussion it was determined that the only way this could be looked after was for someone who had no opportunity ever to draw from the fund to be prepared to pay into the fund.

In view of the importance of wheat particularly and of grains generally to the economic position of the dominion, it was thought advisable, in order to avoid paying out great sums in relief, as was done in the years just preceding that over considerable periods, to have the dominion treasury made responsible for paying in from $3 to $4 for every dollar that would be paid by the farmers themselves. We have had an experience with that measure and are satisfied that a province like Saskatchewan cannot create a fund sufficiently large to make it possible for the province to take care of any losses related to drought.

I think the same is true of Alberta, but I believe it has been proved by the figures just quoted to the committee that there is a possibility that Manitoba could run its own insurance scheme. So that what I did propose to do was to suggest an amendment to the act under which any province that wished to withdraw from both the payment of the one per cent and the benefits would be permitted to do so. If they think they can get along without any insurance plan at all, let them make the decision. If they would rather set up a plan of their own, I am sure no one in this house would object. If they can finance an insurance plan in Manitoba without assistance from anyone else in Canada; if they prefer to do that rather than to be in exactly the same position as the people of Montreal, let them take that view, even if you admit what Manitoba says, that they have no chance of ever drawing out. There is no doubt in the world that Montreal has no chance of drawing out; but Montreal pays in, and on different occasions on which I have had discussions with farm organizations in Manitoba with respect to the matter I have been able to convince them in the meeting where I was to pass a resolution saying that it was all right. But I have never had an opportunity of speaking to all the farmers of Manitoba. The best thing, therefore, is to allow Manitoba to decide the matter for themselves. If I get it by council, and the house agrees to it, they will be able to settle the question for themselves.

Mr. ROSS (Souris): Has the Manitoba government asked for that?

Mr. GARDINER: Many people in Manitoba have, and many meetings. I believe that if we make it possible for Manitoba itself to decide, probably the question will be settled and they will say whether they want it or not.

Mr. ROSS (Souris): I do not agree with the hon. member for Provencher when he asks that Manitoba be completely eliminated, although he has a vexing problem in the river lots. As the minister said, when the matter was first brought up there were resolutions from Portage la Prairie and along the Red river objecting, because they never had a failure and therefore they objected to a contribution of a cent a bushel. But I am satisfied that the farmers of Manitoba as a whole do not wish to be exempt unless they are sure of some other crop insurance scheme. The prairie provincial governments have had committees investigating different forms of insurance for some years and they want some system such as that. The minister has talked with some people; I do not know whether we should let him talk to everyone; but he has convinced those with whom he has talked of the need of cooperation. Anyone who has passed through the drought periods will be very happy to make a contribution as long as he lives for the sake of those unfortunate people who have had to put up with the drought in the prairie provinces.

Last year I received a return in connection with the setting up of the administration of

the act over a period of years. I have not that return by me at the moment, but the minister will agree that the facts therein set out go to prove that there should be some amendments to the act, and I am pleased that he has made the announcement that he will suggest amendments this year so that we may have an opportunity to discuss the act and any proposed amendments in the committee on agriculture, which is only proper. While I sympathize greatly with the hon. member for Provencher, coming as I do from Manitoba, I do not agree with him on this point.

Mr. JUTRAS: So that the record may be clear, I do not want it understood that I ask to have the P.F.A.A. entirely cut out, but I asked that Manitoba be entirely excluded from it. I agree that it is good for Saskatchewan and Alberta—

Mr. ROSS (Souris): And many parts of Manitoba.

Mr. JUTRAS: There is a certain part of Manitoba that benefits. I will put it in that way.

Mr. McCUAIG: I rise to speak on the agricultural economy of Canada as it affects the individuals producing the foodstuffs of Canada as a whole. The production of foodstuffs is the world's number one industry to-day and it has always been the country's first industry. It has never been treated fairly by any government at Ottawa but rather has been held in contempt. All Canada has suffered from this treatment and will continue to suffer until agriculture receives the recognition it deserves. I am going to do some straight talking about the treatment the primary producer has received under this private enterprise system from both Liberal and Tory governments.

Full realization by the government of basic fundamentals is long overdue, and I think it is timely that a common dirt farmer should rise to speak in this house. I think I can qualify as one of those who come within that category, for the first twenty years of my life were spent on a farm in Ontario and the last thirty-four years in southwestern Saskatchewan in a part of the drought area.

Let me tell you, Mr. Chairman, that there are things that you can do in southwestern Saskatchewan and things that you cannot do. If some planning had been done by the government of that day, if settlers had been informed of the soil and weather conditions, and if there had been allotted economic units instead of wholesale half-sections on any kind of land there would have been very little relief needed or destitution in the southwest.

While I am on this question of plans, I should like to say this. I am sorry the government of to-day has not seen fit to use the results of the recent soil survey. Had that been done, there would have been a large increase in the acreage of wheat sowed this spring. Maps could have been got out and posted in Manitoba and the northern part of Saskatchewan and Alberta showing the black soil areas where summer-fallowing is done rather to keep down weeds than to conserve moisture. Thousands of acres of additional land could have been seeded this spring in those areas.

The southwestern part of Saskatchewan where I live, and most of the Palliser triangle where the brown soil runs from four to ten inches deep, is strictly a fifty per cent summer-fallow area; and it is simply tragic to practise anything else. I was glad to hear the Minister of Agriculture make a statement in the house the other day in connection with this matter. In this area, however, on the basis of half the land summer-fallowed each year—that is ten crops in twenty years—summer-fallowed by the right method, at the right time, early in May, average crops can be obtained. It is just as necessary to know thy land as it is to know thyself; and adaptability to the district is necessary.

Having said that, Mr. Chairman, I wish to speak about the position of the farmer in the economy of this country. Canada's producers of food stuffs have never had a fair share of the national economy of Canada, or anything like equitable treatment for the long hours they, with their wives and families, have put in on the farm. I have evidence to support this contention. I have in my hand a card, a duplicate of which is in the bureau of statistics, agricultural branch, in Ottawa. It is dated November 1, 1932, and gives the average price received for farm products on November 15, 1932, as follows:

	cents
Wheat, per bushel	24
Oats, per bushel	6
Barley, per bushel	10
Rye, per bushel	11
Flaxseed, per bushel	45
Potatoes, per 100 lbs.	50
Honey, per pound	12
	dollars
Horses, per head	25
Milk cows, per head	20
	cents
Beef cattle, live weight	1¾
Calves, live weight	3½
Sheep, live weight	2¾
Lambs, live weight	4
Hogs, per pound, live weight	1¾-2
Butter made on the farm	15
Chickens, live weight	4
Eggs, per dozen	25
Wool, unwashed	4

It will be observed that eggs sold for 25 cents per dozen in November. Farmers will remember that in June of that year they were selling for six cents. This was after three short crop years in the west and particularly in the southwest. Our national revenue went down to $2,812,902,000 as compared with over $9,000,000,000 in 1944. At that time we had Tory governments in both Ottawa and Regina. The Winnipeg grain exchange was wide open. Free enterprise was going full blast. There were no ceiling prices, and no floor prices either. We had free intercourse with all the world and Bennett was going to blast his way into any market which was not open to us. There was only one country he would not deal with, and that was Russia; no truck or trade with Russia. Mr. Bennett would not even trade meat at 1¾ cents for oil.

That was the kind of thing we had in Canada in the midst of great potential wealth, the great natural heritage God gave his people in Canada. We had deprivation, hunger and want, with our children wandering over the land as bums and tramps, taking shelter in the lee of an elevator filled to the roof with wheat at from twenty to thirty cents; taking shelter in the lee of a warehouse filled with goods, boots, clothing and everything else; waiting for a freight train to come along after having been ordered out of town. Homes were broken up, and there were thousands in the soup kitchens. We had deportations and orders to leave Canada and go back to the old country. There was no place in Canada for immigrants. The other day our friends the Progressive Conservatives put up a vigorous verbal contest to retain Dominion day. I wonder if they were very proud of Dominion day in Regina in 1935.

Mr. FRASER: Why shouldn't they be?

Mr. McCUAIG: Perhaps the hon. member will change his mind in a moment. They were bidding for power that year, and if they had anything better to show it seems natural to me that they would have shown it.

Some hon. MEMBERS: Oh, oh.

Mr. McCUAIG: This may be rather amusing, but from now on I do not think it will be as funny for my hon. friends I am going to place on record what was done by the champions of private enterprise; what was done for the unemployed at that time. I happened to be in Regina on July 1, 1935, when 3,300 young men were on what they called a trek to Ottawa bearing a humble petition asking for work and wages. They got only as far as Regina, and what happened?

An hon. MEMBER: They should have had something to eat.

Mr. McCUAIG: The hon. member is right; they should. A meeting was called, and this is not very funny; there is a good deal of tragedy in it. Some person or persons called a meeting for eight o'clock on July 1 at Broad street park on Tenth avenue. Bills were posted up all over town saying, "Come to the meeting and help the boys on their way to Ottawa." At eight o'clock there was a big crowd there, including old men, women and people of all classes. I do not think there were over 400 boys there that night. There was a big ball game or football match where a good many of the people were attending at the fair grounds where they were staying.

The chairman of the meeting had just introduced the speaker and immediately following that there was a commotion. People were diving here and there, and I wondered what it was all about. However, I saw what the trouble was, because a tear gas bomb had been pitched right in among the crowd of civilians who were there to attend the meeting. I looked around and I could see men in battle-dress, including tin hats and what looked like soft-ball bats in their hands. These men were rushing from furniture vans and other conveyances pulled up on the outside of the crowd, and they charged the crowd, an absolutely unprovoked assault. A policeman was killed, and a lot of other people were hurt and probably crippled for life. The street-cars were stopped; store windows were smashed. They battled all the way up Eleventh avenue to the post office.

There was nothing very funny about that, I can tell you. Just ask yourselves this: If all the 3,300 boys had been at that meeting, what would have happened? If my imagination serves me correctly, it would have been one of the blackest days in Canadian history. It would have been a black day if those boys had handled themselves the same as the 300 or 400 who were there.

I should be remiss in my duty if I did not say that it would be nothing short of a tragedy if anything like that were to happen again in this Canada of ours, because next time they will not be shirt-sleeved boys with little packs on their backs. They will be boys who have learned to fight. I say it was not the right thing to do. Shortly after that we had a Liberal government in power, both in Ottawa and Regina.

An hon. MEMBER: Progress.

Mr. McCUAIG: Yes, probably this will suit my hon. friends better who sit on my right.

I should like to submit some further evidence of the treatment we received, and in

that connection I shall quote from a card from the dominion bureau of statistics, dated Ottawa, July 1, 1940, in which are set out the average prices received for farm products on July 15 at Eastend:

Wheat, per bushel	$0 49
Oats, per bushel	17
Barley, per bushel	17
Rye, per bushel	22
Flax seed, per bushel	1 00
Potatoes, per cwt.	1 50
Honey, per pound	14
Horses ,per head	37 00
Milk cows, per head	25 00
Beef cattle, per lb. live weight	2½

Mr. GRAYDON: What year was that?

Mr. McCUAIG: 1940, the year after the war started. This is documentary evidence. Then the table continues:

	cents
Calves, live weight, per pound	05
Sheep, live weight, per pound	02¾
Lambs, live weight, per pound	05
Hogs, live weight, per pound	06
Butter, made on the farm	11
Chickens, live weight, per pound	04
Eggs, per dozen	06

An hon. MEMBER: Nonsense.

Mr. McCUAIG: You will notice that this is July. I was quoting November figures before, when the chickens were all in pinfeathers.

This was after the Liberals had been in office for four years. We had a similarity in prices and conditions. Boys were receiving $5 a month in camps; thousands were lined up at the soup kitchens. In September, 1939, there were 400,000 Canadians unemployed and one million men, women and children on direct relief. For reference I would refer hon. members to the publication "Canada At War", put out by the wartime information board.

Later, farmers, 400 strong, bearing a petition on which there were 185,000 names, asked for increases in the price of wheat to meet the rising cost of production brought about by increases in the prices of things they had to buy. This is not a matter which can be traced only to a Liberal or Tory government at Ottawa. It is the result of the system, the private enterprise system. And Canadians are hogs for punishment if we put up with any more of it.

I will ask any hon. members where we would be to-night if the war had not come along and snapped us out of the private enterprise slump. Further, when this artificial war industry is over, when it is all cleaned up, can any member of the government show me where there will be any improvement? Can he show me any difference in the national economy to-day from what it was then, any difference that would justify our expecting anything better now than we had then?

An hon. MEMBER: More taxes.

Mr. McCUAIG: Yes, one statement was made which we must not forget: We have about $20 billion more on which to pay interest than we had in prewar days.

Let us take another step in the economic history of this country. After agriculture had taken the terrific beating it did take, through low and ruinous prices which would not meet the cost of production, when it faced unpaid interest, worn-out machinery which needed replacements, buildings needing repairs, back taxes, accumulated mortgage indebtedness—when we faced all these things, we got this kind of treatment.

For example, in October, 1944, while the Canadian wheat board price of wheat was $1.43, the United States price was $1.83, indicating a net loss to the Canadian farmer of forty cents a bushel. Then, again, in October, 1945, with the Canadian wheat board price at $1.55, the United States price was $1.94, or a net loss to the Canadian farmer of thirty-nine cents. We will call it forty cents because since that time the price was around $2 in the United States. Our total exports for 1943-44 and 1944-45 were, roughly, 343,000,000 bushels in each year. When compared with what the United States farmer received, the Canadian farmer lost forty cents a bushel on each one of those bushels, or a total of $137,200,000. If Saskatchewan provided 52·2 per cent of that wheat, the loss to the Saskatchewan farmer was $71,344,000. Canada as a whole was able to show great generosity to the people of Europe at the expense of the western farmer. To use Mr. Churchill's formula, never have so few who were so poor given so much to so many.

The Saskatchewan farmer also played Santa Claus to the people of Canada. Canada uses about 50,000,000 bushels of wheat a year to feed her own people. Wheat was sold to the Canadian miller for $1.25 a bushel, f.o.b. Fort William. Then the miller obtained a subsidy or drawback from the government of 47⅝ cents a bushel. This meant that the price to the Canadian people was 77⅜ cents a bushel. Even members of parliament were able to eat cheap bread by being granted charity of sixty cents per bushel by the Canadian wheat grower and 47⅝ cents by the government; but central Canada got cheap bread, so we can see that the wheat growers lost 50 millions at sixty cents, or $30,000,000. And, again, Saskatchewan farmers paid 52·2 per cent of this, or $15,600,000.

Further, wheat used for feed in Canada sold through commercial channels for the same period at $1.25 a bushel—30,000,000 bushels

multiplied by 60, or $18,481,400. Again, Saskatchewan farmers paid 52·2 per cent of this, or $9,647,313. Thus it would appear that Saskatchewan made the equivalent of a cash grant to:

(a) People living abroad	$71,344,000
(b) People at home, for bread and feed	25,247,313
Total	$96,591,313

The people of Canada should know these facts because I do not think they are so unfair as to want to perpetuate this injustice borne by the people of one province. At least they should know that the people of Saskatchewan know about it.

In addition, agriculture suffered an imposition of three cents a gallon on the fuel used in tractors, and this at a time when the industry was bankrupt. To add insult to injury, Saskatchewan has had to pay an additional two cents as well as a 12½ per cent increase in the price of farm machinery. Little or no attention was paid when four hundred farmers brought a petition bearing 185,000 names to the government. The price of wheat was not fixed at $1.25 until it had gone above that figure on the open market. Yet we find that the oil companies and the machinery companies which enjoyed good profits in those years were able to sit behind closed doors with the government and receive sympathetic consideration.

Agriculture knew nothing about these increases until they were announced on the floor of this house by the Minister of Finance. Who is governing Canada? The people's representatives in parliament have no say in the laws that govern the economic well-being of the people of Canada. A farce has been made of our economic rights and we live under an economic dictatorship if there ever was one. Let us compare the treatment given to the agricultural industry with the government's treatment of the oil and implement industries.

In 1937 the net profit of Imperial Oil was $26,450,157; in 1938 it was $25,959,530. Those were the years in which we had two of the most disastrous crop failures Saskatchewan ever had. Did the Minister of Finance plead before parliament as he pleaded the case for the oil companies and the machinery companies? No, he did not, but I will tell you what he did. He arranged with the banks for the farmer to sign a blank note for his 1938 seed, which later proved to be $1.42 a bushel. The same wheat which had been delivered by the farmer and which had been sold for as low as sixty cents a bushel was still in the elevators; it was government owned wheat.

The government would not deal directly with the rural municipalities. Private enterprise had to get its toll. First the farmer had to sign a blank note. This was endorsed by the rural municipality, then by the provincial government and then by the federal government. The banks were then prevailed upon to accept the note. They had the security of the man on the farm and everything else in Canada.

Mr. GARDINER: Most of the wheat was in the pool elevators.

Mr. McCUAIG: I am glad the cooperatives had something to do with it. Just what happened? The trade got the money and delivered government-owned wheat to the farmer for $1.42. On May 16, 1938, before the seed went into the ground, the average price for wheat went down to eighty cents a bushel at Eastend. I have documentary evidence of that from the dominion bureau of statistics, agricultural branch.

Right here let me say that when the Minister of Finance was pleading the case of the machinery companies in this house the other day he made a most ridiculous comparison. He said that wheat had increased 87 per cent, whereas the cost of machinery had increased only three per cent. The Minister of Finance knows very well that prices of machinery do not go up and down like prices of wheat. Those prices are stabilized; it is monopoly control, a law unto itself. Farm machinery prices have always been high or higher, whereas in 1940 the price of wheat was as low as forty cents a bushel. The minister could have improved his argument 100 per cent if he had gone back to 1932 when wheat was nineteen cents a bushel.

I have here a few figures which have been put on *Hansard* before, but which I should like to repeat because they cannot be repeated too often. In 1942 Massey-Harris made a net profit of $1,564,028, and in 1945, $1,800,000. The Cockshutt Plow company in 1937 made a net profit of $183,091, and in 1944 over twice that, $399,244.

Take six of our leading Canadian industries: Hiram Walker and Sons, Canada Packers, Consolidated Mining and Smelting, Aluminum Limited, Imperial Tobacco and Hudson's Bay company. Their average net profit for 1944 was $8,515,828, according to the *Financial Post* survey of corporate securities.

The lumbering industry was able to sell a large part of its wares outside Canada at the highest prices, to the detriment of the rest of our people.

Mr. GIBSON (Comox-Alberni): Why was that a detriment?

Mr. McCUAIG: All of our banks did well. The manager of the Bank of Toronto, which was established in 1855, in reporting to the bank shareholders said:

> For the first time in the history of the bank total assets crossed the 300 million dollar mark, and at $302,040,000 show an increase of $41,965,000 for the year. It is worthy of note that our assets are now more than double those of 1938.

He was reporting to the bank's shareholders, not to the public. Not too bad a war effort, was it?

The Royal Bank of Canada showed an increase in net earnings for 1945 of $281,154,321, the largest in the bank's history.

Mr. FRASER: Are those profits or assets?

Mr. McCUAIG: Net profits, not assets. The general manager of the Bank of Montreal, in his annual statement for the year ended October 31, 1944, said that the financial results of the year reflected an increase of close to $214,000,000, total assets at $1,526,734,251 having crossed the billion and a half dollar mark for the first time in the 127 years of the bank's history.

Mr. FRASER: How much of that belongs to the public?

Mr. McCUAIG: Have you got much of it? I have not. If this is the kind of economy under which agriculture has to operate, then agriculture should be allowed to receive the highest market price if it has to take the lowest. The farmer of Canada is not fighting for $2 wheat one year and twenty-four cent wheat another year, or for $14 per hundredweight for meat one year and $2 per hundredweight for meat another year. He wants a stabilized price for agricultural products, worked out on an equal valuation basis with all other things in industrial Canada. He wants a floor price put under agricultural products which will ensure a fair standard of living, health services and education, and some of the comforts he is entitled to in this modern world.

Mr. GARDINER: Good Liberal policy.

Mr. PROBE: With a small "l".

Mrs. STRUM: Too good to use.

Mr. McCUAIG: There can be no successful agricultural programme without the stabilization of agricultural prices, which will give some encouragement to the young men and women to stay on the land. To-day the young people are leaving the land, and the old people on the land are getting tired. They cannot stick it any more, getting up at five o'clock in the morning and working until late at night. Production is still vital in this hungry world, and the young people must be given some encouragement to stay on the land.

The present agricultural policy and the income tax policy of the government carry with them everything that goes with the decay and death of a nation. Those words are as true as ever will be spoken on the floor of this house.

I sincerely trust that the government will give this most important part of our national economy its most serious consideration before the budget is brought down.

Mr. ROBINSON (Bruce): Mr. Chairman, it gives me much pleasure to say a few words on the agriculture estimates, coming as I do from a rural county. As I look around the house I see more than one member here who was born in Bruce county which I have the honour of representing, and I know that anything I say which will be to the benefit of Bruce county in the future they will support even if their party affiliations will not allow them to say so publicly. We are disappointed that they have strayed a little in the political world, but they are young and will be able to find their way back to the fold.

I should like to say to the hon. member for Maple Creek, who has just taken his seat, that he and I have some things in common, but a lot of things we have not in common. In his speech he back-tracked over a long number of years. That is the way of a pessimist. I like to be optimistic. But maybe the party to which the hon. gentleman belongs likes to capitalize on that kind of propaganda. Being a Progressive Conservative, I do not want to do that. I want to look ahead and not look back too far.

Bruce being a rural county, I feel proud to represent it, but the county has also some very good industries which are known internationally as well as nationally. I will mention a few of them. Keystone brushes are manufactured in Bruce county, and are known the world over. Furniture is manufactured in Bruce county at the Malcolm Furniture factory, and I believe some hon. members have enjoyed sitting on the company's products in this chamber; their furniture goes all over the world. We have in Bruce county knitting mills and dry spinning companies which are known internationally. All in all, I believe I am justified in a feeling of pride in being able to represent these fine agricultural districts of Bruce and Kincardine counties.

At the same time I must point out that circumstances in my riding are such that we are not happy. Centralization is working to our disadvantage. I mean that the farm population is gradually disappearing from our farming areas. The township I come from is a good township, and as I said before, Bruce

county is a good county. But within a mile and a quarter of the location of our farm, whereas in times I can remember there were thirteen families living in that area, at the present time we have only five. No doubt there are various reasons for that condition, but the principal reason is the lack of foresight which has been only too evident on the part of not only the present government but all governments which have administered Canada for a great number of years. I am not suggesting that any government has wilfully brought this about; yet it has happened. There is an idea in some quarters that mechanization in the line of farm work has had something to do with the depletion of our farm population. But is this so? Because of this machinery we do not have to work so hard; living conditions have improved, and it would follow that people would be happier to stay on the farms. But that has not been the case: we have lost a great part of our farm population. It cannot be said that mechanization is the cause of people leaving the farms. It will be found that the economic situation has more to do with conditions obtaining in that mile and a quarter in Kincardine township, in Bruce county, than anything else. We see there buildings which have been blown down by the wind; we see vacant houses and outbuildings where the roofs are going and which in a short time will be in an uninhabitable conditions. We have farms in need of reconditioning and farm buildings in need of repair. We have farms which need electrification. We have farms with no running water. I am not trying to paint an unduly dismal picture, but I am describing what is an actual condition in Kincardine township, and which I fear is typical of the average Canadian townships.

Working conditions on our farms are not satisfactory. On this point I agree with what was said by the hon. member for Maple Creek. He referred to the long hours which farm people have to work; I want to make a similar reference. Many of our farm population to-day are working too long for physical health and, in addition they are employing their children to help out. One reads in the newspapers of the exploitation of child labour in industry, but too little attention is paid to the exploitation of child labour on the farms; yet I venture to say that it is only too common, not as a matter of choice but from sheer necessity. The farmer's wife has never yet been able to get remuneration for the long hours and the heavy work which she has put in, in helping her husband on the farm. We have, therefore, this situation at the present time: the boys coming back from overseas who, under proper conditions, would be potential farmers are not going to farm. I know boys from our own district who would make good farmers, but the life is not attractive to them. Young people at the present time, owing to the unsatisfactory conditions they have to endure while being brought up on the farms, get away as soon as they can and try to find some place where they will enjoy better living conditions.

I do not want to take up the few minutes I intend to occupy without offering some suggestions to improve the state of affairs to which I have referred. If I may be pardoned for injecting a personal note I should like to say that Bruce county is a Scotch county.

Mr. MacNICOL: That is all to its credit.

Mr. ROBINSON (Bruce): The hon. gentleman opposite has relatives in our county. I believe it has been in the habit of voting the Liberal ticket, but at the last election I was elected as a farmer Bracken candidate. Scotsmen are at times hard to convince, but on this occasion they saw the light, and I may add that I am not sorry for having been returned under these circumstances. The Progressive Conservative party has an agricultural programme which, in my opinion, when it is brought into effect after the next election, will gradually relieve the conditions which I have truthfully pointed out and which are in effect in our township at the present time; and these benefits will be shared not only by the farmers of Kincardine and Bruce counties but by all the people of Canada. I think hon. members will agree, because I am safe in saying that 99 per cent of them believe that the welfare of the farmer is the most important concern of dominion legislation. I do not need to repeat Mark Twain's saying, so think it over.

We hear a good deal about our great tourist industry and how many million dollars it is going to bring us. The best thing to do would be to put the men back on these farms to make a living for themselves and to get them away from conditions in the large cities which, while I will not describe them as unclean, are anything but joyful. Let them get back on the farms and make a little living for themselves, and that will be better for Canada than all the tourists coming in from neighbouring countries. So that I say to the government in power at the present time and to any government that we may have in the future—and I think I could accurately predict what government it would be—that we should keep in mind the fact that decentralization is of more importance to Canada at present than anything else that is on the agenda of the government to-day.

Before I conclude, I wish to refer to some remarks the Minister of Agriculture made to-day. I have in mind the "Weekly Live Stock Market Review," volume 27, number 18. I am not going to quote from it, but according to the figures given on page 1 the export of dairy cattle is 47½ per cent for the first four months of this year as compared with 1945. I wish to ask the minister a question and I do not doubt he will be able to find words with which to answer it, because he does very well. However, I should be glad if he could answer the question convincingly, if possible. Can he give a layman like myself any reason for such a thing happening in the last four months?

Mr. MacNICOL: Is that percentage more or less?

An hon. MEMBER: More.

Mr. CRUICKSHANK: I will be brief, and for once I am not critical because my first effort has been successful. Hon. members will see who has come to sit beside me. If I speak a little longer I shall probably have the hon. member for Grey North (Mr. Case) over to my left.

Mr. CASE: I did not say anything.

Mr. CRUICKSHANK: We have covered a lot of territory to-day and I want you to understand, Mr. Chairman, that anything I say to-night is fundamental, elemental and spoken in a kindly way. Let us be fair about this. We have heard a good deal to-day about sheep and we heard about the bargain basement. In a kindly way I want to speak too about sheep. When I was a boy going to school one of the chores I had to do was to look after sheep, and if any hon. members listening to me now have ever had to look after sheep they will know what a cantankerous animal a sheep can be. I remember one time when one of these sheep annoyed me and I hauled off and kicked as hard as I could, but instead of hitting the sheep I hit a cement pillar in the barn, and that nearly broke my foot. Ever since then I have made it my life's ambition to be kind to dumb animals. I hope no one will object to this remark.

As I have said, I am not here in a critical mood, but I wish to tell the Minister of Agriculture that his policy is all wrong. Outside of that, however, I think it is all right. The thing I am particularly interested in to-night is this—and I must say that I could not follow my hon. friend the member for Maple Creek because when I get up to $172 million that is as high as I can go. That does not mean anything to him. He can talk about $5 billion without any concern, but $5 billion means quite a bit in the Fraser Valley. He said we are paying interest on $20 billion, but actually, it seems, it is only $15 billion. But $5 billion is neither here nor there to my hon. friend.

The reason I disagree with the Minister of Agriculture is the fact that he is not running agriculture. The wartime prices and trade board has too much to say, and the sooner agriculture is put back under the Department of Agriculture the happier we shall be in Fraser Valley. However, I am not going to be as dismal as some hon. members from Saskatchewan appear to be. My riding is one of the finest in Canada. There are many improvements that can be made, but most of the roofs are still on the houses and barns and on the whole we are very happy. We ought to be, because we produce almost half the berries that are grown in Canada, and they are the finest berries in Canada. I do not need to tell you, Mr. Chairman, that there is no necessity for us to camouflage our peaches in British Columbia in any way. We produce also seventy-five per cent of the hops produced in the dominion and as we do not know what to do with them we ship them out of the country. Altogether we are proud of that riding.

I thoroughly enjoyed the speech delivered by the hon. member for North Battleford. It was constructive and I was particularly interested in it in view of the fact that in my riding we have an immense production of bulbs. In fact, we pioneered the business in this country. We ship to eastern Canada bulbs not merely by the ton but by the carload. I heard one hon. member this afternoon, when we got away from the bargain basement and sheep, describe the tulips in front of the building here, and he accused the Minister of Agriculture, as I understood him, of being the gardener. Maybe that is the reason you have such teeny-weeny bulbs here. We have immense bulbs in my riding, and we ship them, as I say, by the carload. I would ask the Minister of Agriculture to devote a little more money and attention to assist us in finding ways and means of combatting diseases, because even in British Columbia we have had disease in our bulbs. His experts should pay a little more attention to this matter.

I am also interested in the question of milk. You know, Mr. Chairman, these subsidies that are spoken of as subsidies to the farmers are actually subsidies to the consumer. They are not subsidies to the farmers and I believe my friends of the C.C.F. will agree with me on that. In other words, they are not agricultural subsidies but consumer sub-

sidies. I believe the leader of the opposition will agree with me—if he does it is a credit to him—that the subsidy on milk is not high enough. I will not say what the arbitrary figure should be, but the Minister of Agriculture should exert a little more pressure on the treasury board in order that the subsidies be set on farm produce prior to any increases being put, as in the case of machinery, on what we have to buy in order to produce anything on the farm. They started at the wrong end.

We are a little worried in British Columbia about the consistency of some of our hon. friends immediately opposite me. Regina is a small town somewhere in Saskatchewan; I believe they had a convention once, and we have been spending days here discussing a bill of rights. I am sorry that has come from Saskatchewan too, but they have been suggesting a bill of rights, or a new constitution or charter or something. They seem to have a habit in Saskatchewan of doing that sort of thing. At any rate, plank No. 6 in the manifesto of their convention had reference to cooperative institutions. I am not going to read it all because I do not want to give them the benefit of such free advertising, but they speak of encouragement by public authority of both producer and consumer cooperative institutions.

Coming from British Columbia, I cannot understand that, although in that province the C.C.F. and their bad boy Harold Winch want to socialize milk. Can you imagine that? And how do they propose to do this? I would like the hon. member for Regina City to answer that. The board would have power to expropriate all existing plants and equipment, including distribution facilities for crude milk, and operate them. We in the Fraser valley, which includes part of the riding of the hon. member for New Westminster, produce 90 per cent of the milk of the province of British Columbia, and we have the largest dairy cooperative in Canada distributing that milk. But they are going to take us over and socialize us.

Mr. PROBE: Isn't that socialized in that set-up? What are you talking about?

Mr. CRUICKSHANK: I was just hoping the hon. member would say that, because it will get me a thousand C.C.F. votes at the next election. We have this cooperative; they have their charter, and now the C.C.F. are going to do away with cooperatives by socializing the production of milk. There in British Columbia we have forty-eight members—

Mr. ARCHIBALD: And no Liberals.

Mr. CRUICKSHANK: We have a Liberal premier, and we had for a long time—

Mr. KNIGHT: If the hon. member will permit a question, does he know that in the time the C.C.F. government has been in power in Saskatchewan cooperatives have increased at a greater rate than ever before, and with the blessing of the C.C.F. government?

Mr. GARDINER: Oh, you are dreaming; it isn't true.

Mr. CRUICKSHANK: I should like to answer that question. I understand they set up a ministry to encourage cooperatives, and I bless them for that. It is too bad they were not in power before, when horses were selling for $27; they would have canned them. Here is your manifesto. However, I am not talking about Saskatchewan; my dairy farm in my riding is in British Columbia. The C.C.F. party in that province, at their convention on April 29, declared their policy to be the socialization of milk.

Some hon. MEMBERS: Hear, hear.

Mr. CRUICKSHANK: There is one blessing about it. They will never be in power in British Columbia.

Mr. ARCHIBALD: Where are the Liberals in British Columbia now? I licked the last one up in Prince Rupert last fall.

Mrs. STRUM: What about Mr. Hart; is he Conservative or Liberal?

Mr. CRUICKSHANK: If Mr. Hart ever desires to retire—well, I am modest, and I shall not say what I was going to say.

Mrs. STRUM: He came from the Conservative party.

Mr. CRUICKSHANK: Oh, no. My hon. friend the Minister of Veterans Affairs sat in a Liberal cabinet with him about twenty years ago, I think.

However, I have brought out my point, and now I shall go on with my story about milk. There are some forty-eight members in the province of British Columbia, only two of whom represent producing areas. You people follow that through, as I hope the producers will follow it through and as I know the producers in the Fraser valley are following it through. I am quoting the very C.C.F. people there, who say, "If they put that in, we are wiped off the map." As I say, of the forty-eight members only two represent producers and forty-six represent the consuming public. No wonder Harold Winch would put that in. How do you suppose they would set the price? They would set it regardless of the

welfare of the producers. We would be back in the days of six-cent eggs and twenty-eight cents for butterfat if the price were set by the forty-six members to the detriment of the two members. You cannot laugh that one off, though I do not know where you get this figure of six-cent eggs.

However, I believe in giving the C.C.F. a fair deal in this house, and I refer now to one of the largest and best weekly papers in Canada. I would say it is the best; only I have five in my riding. Here is what the C.C.F. said at the provincial convention, according to this newspaper: "Other delegates charged cooperatives do not consider the consumer." This is the C.C.F.; the cooperatives do not consider the consumer! You must have a different brand of cooperatives in Saskatchewan from what we have in British Columbia.

However, I should like to mention something in which I fully agree with hon. gentlemen opposite. In this debate today I think we have covered every subject except agriculture, though we have missed out on the banks. We used to have a member from Vancouver-Burrard who went over to the holy of holies, and who represented us as far as the banks were concerned. We have covered all these other subjects to-day, but I want to point out to the Minister of Agriculture that I entirely agree, as I believe every other hon. member will, that unless the government stabilize agricultural prices; unless they guarantee the farmer a fair price in relation to the prices of everything he has to buy, the veterans coming back from this war are not going to settle on our farms. That is true in my province, and I think it is true in every other province. Personally I belive the system of subsidies is all wrong. I think the solution of the problem of the farmer is to pay him a fair parity price in comparison with the cost of the things he has to buy in every branch of his production.

Mr. KNIGHT: That is the C.C.F. programme you are quoting now.

Mr. CRUICKSHANK: I was in politics long before the C.C.F. were heard of, and perhaps they copied part of my programme. However, I am glad my hon. friends agree with me; some day they might even invite me to lead their party out of the wilderness. I want to say to the minister seriously that I was surprised to find there have been only forty-eight applications for farms in my own riding under the Veterans Land Act. I fully expected there would be many more, but speaking from memory I believe only some seventeen have qualified and been granted farms. When you have a riding which is almost entirely agricultural; when you have from that riding, I say without fear of contradiction, an enlistment of farmers' sons as great as that in any riding in Canada—I do not say "greater" but as great—it is surprising to me that prior to April 15 there should be only forty-eight applications for farms under the act. The remedy is for this government or whatever government is in power—and we are in power at present, so it is our responsibility—to guarantee these men not subsidies but prices which will afford a decent standard of living and which will permit them to carry out their obligations and manage the debt they will be called upon to undertake if they are to settle upon farms. We should not repeat what happened after the last war, when veterans bought $200 cows and had to pay for them with butter-fat at twenty-eight cents a pound. I think it is the duty of this government to see that our returning young men are given this guarantee. This government has gone to this extent, and I am proud to say so. It is the first government to put floor prices under farm products. That is a wonderful step in the right direction, but I think the government should now carry it further and guarantee the farmer prices for his products before it permits any increases of any kind on the things the farmer requires to buy.

I just wish to close by saying that I have nothing to be ashamed of or to apologize for in my riding, like hon. gentlemen opposite seem to have in connection with their ridings. We are proud of the condition of our riding, but we want to make it better. We have every class of citizen there, and we want every class of citizen except one. We shall be glad to give that class to Skeena, if they want them, or to the rest of Canada, but that is the only class we do not want.

Mr. KNIGHT: A true Liberal.

Mr. CRUICKSHANK: Well, we have never promised them the vote in order to get their financial or other support.

Mr. NICHOLSON: Why are not more soldiers anxious to get back to Fraser valley on the farms?

Mr. CRUICKSHANK: I am sorry the hon. member for Mackenzie did not get the point before. I do not think a soldier can afford to pay what our land costs unless he has some better guarantee in relation to what he is going to receive for his products, and that is what I am putting to the government. I do not mean a guarantee for this month or six months from now; I mean a guarantee for five or six years from now. Another reason the soldiers are not anxious to get back on the land is that they cannot afford to buy the

land for a normal dairy farm, or anything other than a small holding in the Fraser valley, with the present ceiling under the Veterans Land Act. If my hon. friend had led the life some of these young boys have led I believe he would understand this also. I do not think you will find many of these young men, as I am sure the hon. member for Skeena will agree, ready to go away up north, where the pioneers went in the years gone by. I am not knocking that country, but I do not think you will get young men to go up there until such time as transportation, electricity and all the other modern facilities are put through. That is one reason they are not going back to the land. I want to tell the hon. member for Mackenzie that some 75,000 veterans in other parts of Canada have either taken their discharge or want to take their discharge in our fair province. And most of them want to come to the Fraser valley.

An hon. MEMBER: And they are unemployed, remember that.

Mr. BRYCE: I wish to make a few remarks at this time. I was pleased to hear the minister tell the committee how the packers made a $10 change in the price of a steer across Canada. I have been arguing that right along, namely that we have no price set on the live animal. He has been doing that right along. The minister never said a more truthful word than he did the other evening.

The question with which we are faced these days is this: Is the packer getting enough? I think he is getting more than enough. I have thought for a long time that he is getting more than enough.

Let us take a 1,000-pound steer—

Mr. CRUICKSHANK: I should like about five pounds of it.

Mr. BRYCE: Oh, I have treated you to a good steak before, so keep quiet.

Mr. CRUICKSHANK: Right.

Mr. BRYCE: If you have a 1,000-pound steer dressing at 56 per cent, that gives 560 pounds of meat. For that 1,000-pound steer the farmer would get $120. I believe the ceiling on beef to-day is 20½ cents. When the packer takes his mark-up of seven cents, he must add what he has coming back on the offal.

You can develop quite an argument about how much the offal is really worth. Some say it is worth $1.75. The department of agriculture of Ontario says it is worth $2.50, and my personal belief is that it is worth $3. When you see the little packer carrying the blood to the big packer, and the little packer claiming that he makes at least $2.35 or $2.50 out of it, and he gets practically nothing for the blood, you can add another three cents a pound to the beef. You would find, then, that he gets for that steer about $168. His profit is $48 on that steer in a very short time. He would not have it around the cooler any more than two weeks. But after the farmer bred the cow he had to feed the steer for two years to get his money out of it.

The packer is making a good profit at present prices, and I do not think he is entitled to an increase. I hope some arrangement will be worked out whereby he will not be able to go on a flooded market and buy for less than an animal is really worth.

The minister has said that steers have been sold at as high as 13½ cents a pound. You can believe me that a packer never paid 13½ cents a pound for any steer, unless it was worth that much, because to-day the packer is one of the shrewdest business men in Canada. He is in business to make a profit, and if he cannot make a profit, he will not buy an animal.

In Britain they value the animal, or put a price on it, on the hoof. That was done during the last war, and repeated during this one. I have before me the rules and regulations setting out what they pay, on the hoof.

The argument has been made here that they could not do that in this country. But the government, or the food board has failed to go into the market to buy in a flooded market. The argument from the Minister of Agriculture has been that as soon as that animal goes below a certain price, to turn it into twenty-cent beef, they will step into the market and buy. They have failed to do that.

Mr. GARDINER: No.

Mr. BRYCE: Oh, yes, they have failed to do that.

Mr. GARDINER: They are on the market all the time.

Mr. BRYCE: Yes, but they are not on their job, because animals have been selling for eleven cents when they should be twelve cents. The minister has accused me of spending more time around the stockyards than around my farm. Surely he will give me credit for knowing something about the stockyards, if what he has said is true.

That is our big trouble to-day; we have a ceiling on beef. When it comes into the hands of the packer it is protected by the wartime prices and trade board. That is unfair. Let us take that nonsense about lambs last year, when your board agreed to buy up all the surplus lambs at a quarter-cent less than the market. What good did it do to the market?

It did not amount to anything to the farmer, because the packer could buy them from the farmer at whatever price he liked. When a man sends 200 lambs to the market he does not take them back 200 miles because he gets a cent less. He will let them go at the price, and also say a lot of hard things about the Minister of Agriculture.

I am sure the minister understands the situation. I do not know whether he has tried to correct it. At different times I have tried to explain it. I have said it has been the cabinet which has brought about a condition under which the minister cannot meet what the farmer wants. It would seem that the cabinet dominates the Department of Agriculture; if not, the wartime prices and trade board would not have the power it has to-day.

I had some questions to ask the minister about cattle going to the United States. He has assured me that that market has been taken care of and that we shall be able to get it back when we have more cattle to dispose of. The United States market is our best market to-day; we have no better. But I believe we are going to have more cattle than the United States quota will handle, and we shall have to look for further markets.

I am suggesting to the minister that we do some research into the matter of sending live cattle to Great Britain. It would pay the farmers if that were done. Remember, I am maintaining that the United States market is our best market, combined with that here at home. But we shall have extra cattle, and if we can sell them to Great Britain, so much the better. We could land in Great Britain cattle which, in Canadian funds, and less the bonus of five shillings per hundredweight which they are paying at the present time—I am not adding that five shillings—would bring us about $14 per 112 pounds.

Some hon. members might say that there has to be a profit there. There does not need to be any profit. If you can land them there at a price, the farmer is prepared to take them at that price because the manure he gets from the feeding of the animal will pay him in three months for his labour and feeding costs. He will get his expenses and his feeding costs, because he feeds those steers for the sake of the fertilizer he can get.

I repeat that we should have some research done, and that the department should do it. On previous occasions the minister has given me literature dealing with this matter. The more I read about it, the more I see in it. When I was in the old country this year I was convinced that there is a good market over there for good steers. Perhaps we can ship them out through Hudson bay and thus reduce freight costs, which would be a great advantage.

[Mr. Bryce.]

I was going to say something about sugar beets but the hon. member for Provencher has pretty well covered the subject. I agree with what he said but he did not touch upon the labour situation. I hope the Minister of Agriculture and the Minister of Labour, who, I notice, is in his seat, have given that matter serious consideration. The production of beets requires more labour than anything else we do on the farm. Huge commitments have been made in order to ensure the success of the sugar beet industry from one end to the other of the Red river valley in Manitoba, and I hope the two ministers will cooperate so that we can get the labour that is necessary.

Last year and the year before I asked the Minister of Agriculture about the payment of the wool bonus to Manitoba, but my pleas fell on deaf ears because the provincial government has not agreed to pay its share. It is contended that if the provincial government will pay two cents, the dominion government will match it. I am going to appeal to the minister not to make a stepchild out of Manitoba. If he is paying two cents to Saskatchewan, Alberta and British Columbia he should pay two cents to Manitoba and shame the provincial government into paying the other two cents. You cannot produce wool cheaper in one province than in another, and the non-payment of this bonus is a detriment to the production of sheep and wool in Manitoba. You have no idea how it is talked about, and if this bonus was paid I am sure it would create a favourable impression toward the Liberal government, if that could be an argument. I have asked this of the minister before and I hope he will give it his consideration. When the dominion government makes this concession to other provinces it is only right that it should make it to Manitoba.

When the minister speaks I should like him to tell me whether the subsidies that will be paid from April 30 are to be paid from money voted in connection with the Agricultural Prices Support Act?

Mr. GARDINER: No.

Mr. BRYCE: When is that act to come into operation?

Mr. GARDINER: It has been declared in effect now.

Mr. BRYCE: There is no money being paid out of it whatever?

Mr. GARDINER: No.

Mr. BRYCE: In dealing with the milk situation, I can speak only of the Winnipeg area. On the orders of the day there has been some discussion about milk producers asking that the winter subsidy be carried through the summer. I think the minister replied that you

would have to even up the price, but I should like to correct that. The milk producers do not want that price evened up, what they want is the winter price carried through and a new price negotiated for next winter. Do not let us have any misunderstanding about that. As someone said a little while ago, the cost of labour has gone up. It may be said that while I am against the packer getting a rise in price, I am asking for an increase for the milk producer. The fact is that the milk producer is working under entirely different conditions to-day. The men who milked cows before they went to war will not milk them now that they have come back. They know that a factory worker works for only eight hours a day and they just do not want the fifteen or fourteen-hour day on the farm.

People in Canada to-day realize that milk is the cheapest food in the world. You cannot get anything as cheap that contains the same amount of nourishment or that gives such a balanced diet. At one time I used to fight in Winnipeg for a milk foundation, but I do not think we are going to need it because the people have been educated to use milk. They are beginning to know what a good thing milk is; they know that in order to be strong in body and mind, the person who drinks lots of milk is well on the way.

Let me show how the demand for milk has increased. In March, 1945, there was shipped into the Winnipeg area a total of 9,900,000 pounds of milk. In March, 1946, those shipments were up to 11,500,000 pounds. In March a year ago there were 910 producers in the Winnipeg area; to-day we have 1,290, an increase of 380. Those additional 380 milk shippers should produce far more milk because they have better cows in the Red river valley to-day than they had ten years ago or even five years ago; the cattle are heavier producers.

The fact is that the big dairy producers, the men who were milking fifty, sixty or seventy cows, found that they could not get help and had to sell out. The cows were purchased by smaller shippers, men who were willing to work and who were willing to have their families work. Surely in a modern world like this we do not need to exploit a man's family in order to produce milk for the nation, but that is what is taking place. You cannot get a hired man to milk cows and the result is that the large dairy farmer is going out of business.

I remember the time in the Winnipeg milk area when there was a struggle to get a quota. Nobody worries about quotas now because you get paid for every pound of milk you send in. The trouble is to get somebody to buy your cows and your milk quota and get rid of them. Reference has been made to the rise in the price of machinery, but that is only a minor thing compared with the help situation. I brought this matter to the attention of the minister, and I want to impress upon him that an adequate price must be paid for milk next winter or we shall have milk rationing in Canada. I hate to think that there will ever be such a thing as milk rationing in Canada; but unless the producer of milk is subsidized or his business is made profitable enough to warrant his staying in business, that is what will happen. I told hon. members that when I was in Britain I saw that children under twelve years of age were getting half a pint of milk a day. We do not want that in this country. If the production of milk is put on a profitable basis it provides a good living. There are plenty of people who like to milk cows but they do not want to milk them for nothing. You just cannot afford to pay factory wages and give factory hours. I heard someone on the other side say that he had offered $100 a month and board but could not find anyone to take it.

These are things we are up against in the Red river valley at this time. I commend these remarks to the minister and I hope he will answer them when he speaks.

Mrs. STRUM: Mr. Chairman, I had not intended to speak in this debate to-night, but I felt someone should answer the hon. gentleman to my right who on numerous occasions has made slighting and insulting references to one of the most distinguished parliamentarians that this country has ever produced, Miss Agnes Macphail. Every once in a while someone to my right who has not the courage to rise in his place and say it, growls some slighting remark about Miss Macphail. It reminds me of the story told of a meeting at which Miss Macphail was heckled by a very little man. Finally he said, "Miss Macphail, don't you wish you were a man?" She replied, "Sure, don't you?"

One of the most shocking attitudes that I find in this house from time to time is this, that when there are people who have the courage and integrity to expose something of which we should all be ashamed, instead of our trying to get to the root of the matter and attack the evil, we attack the person who exposes the evil.

Recently we have been hearing a lot about British traditions. We have several kinds of British traditions, but the finest kind of British tradition that we have is the tradition of establishing new precedents of justice, the tradition of being able to recognize injustice and to make the necessary changes. That is the only British tradition that I am proud to

admit, and I must say that all my ancestors were Britishers, but I take no credit for that because I had nothing to do with it.

There are people in this house who seem to think western Canada is the poor relation, and the only time we hear from them is when they want something. I should like to quote some figures given by Doctor F. H. Auld, deputy minister of agriculture of Saskatchewan, when speaking of the dominion-provincial conference. He was the deputy minister under the last administration, a man whom we retained because he was valuable. He had this to say about the contribution that western Canada makes to the economy of Canada as a whole:

> Western Canada was well to the fore in the production of foodstuffs, he said, and cited the fact that one-third of the creamery butter and one-half of the hogs produced in the dominion came from the prairie provinces. Other examples cited by Dr. Auld were that the west produced 55 per cent of all cattle, 60 per cent of the sheep, 50 per cent of the sugar beets and 40 per cent of the honey produced in Canada.

For that we from the west do not need to apologize.

I am not going to extend my remarks, but I promise to make a speech every time that anybody laughs about the Regina riots. If anybody thinks civil war is funny they have never witnessed it. We would not have the effrontery to laugh if the name of a man who died overseas were mentioned in this house. We would bow our heads in tribute to one who had died in defence of his country. The men who died because of the Regina riots were just as much casualties, only they were casualties of poverty, unemployment and injustice, and the people who spoke and worked in defence of those unfortunate unemployed boys deserve better than to be ridiculed and scorned by any member of this house.

Mr. DROPE: Mr. Chairman, coming from the agricultural county of Northumberland I am pleased to have an opportunity of saying a few words about agriculture, which is our basic industry in this country.

The farmers of Canada did a big job in feeding this nation through the war years, and they are continuing to do a big job in production. But if that is to be continued it appears to me that it will be necessary to make farm prices attractive in order to assure a supply. We have had ceiling prices on most of our farm products, but the farmers feel that those ceiling prices were put on before prices of other products in this country had reached their peak.

I was interested in hearing the Minister of Agriculture this afternoon speak of the export of our cows and heifers to the United States and of the cow population in this country. But I question very much the accuracy of the figures he gave of our cow population. I do not just see how he arrives at his figures. Of course, we have a bureau of statistics which sends out circulars covering a cross-section of the country, but I would not say that the bureau's cow population figures are the actual figures. I am inclined to believe, judging from our dairy production and the butter shortage and other things, that our cow population is less than the figures given by the minister. We know that we have had a shortage of butter. This can be attributed largely to government policy. The farmers who were producing butterfat and all of us are ready to admit that it was necessary to ship cheese to Britain in view of our commitments during the war, but the war has been over now for some time and the thousands of farmers in this country who are producing cream to be manufactured into butter should not be put at the disadvantage under which they have laboured for the last two years. We are the greatest butter eaters in the world in Canada. We have our home market and we should see to it that the people of this country get sufficient butter. I am satisfied that if the prices of our dairy products were put on a fair basis we should get all the butter we require.

We have heard considerable in this house about the housing shortage. Let me say, coming from one of the rural parts of this country, that we have in the rural parts many, many homes that are empty. Possibly the housing shortage in the cities has been caused in part by people leaving the farm and going into the urban centres. They are not now returning to the farm; the farmers who did stay on the land and have modern machinery have, in many cases, purchased the farm beside them and consequently the house on that farm is empty. It seems to me that if we are to get our people back on the farm to engage in agriculture it will be necessary to make agricultural prices attractive enough to bring them back.

One hon. member to-night mentioned the tourist business and said that it did not make very much difference. I believe the tourist business is something that we should encourage. The county of Northumberland from which I come is bounded on the south by lake Ontario and on the north by Rice lake and the Trent river, and we have many tourists coming there each year. That is true of many other parts of Ontario and, no doubt, of Quebec. These tourists buy a great deal of farm produce, and it certainly means something to agriculture. We should do everything in our power to encourage tourists to visit our country.

It is regrettable that more veterans are not going back on the farms. From the county of Northumberland there are very few; I do not believe they average one to each of the nine townships in the county. There must be some reason why these young men are not returning to agriculture. I strongly suggest that in any policy laid down for agriculture adequate prices be considered. I am satisfied that if fair prices were assured many of our veterans would go in for farming.

We have heard something about the deplorable state of conditions in western Canada where they work from sixteen to seventeen hours a day. I have been operating a farm for a good many years, and I have never found that one could get the best from men or horses from operating that long. I believe better results could be obtained with much shorter hours; and, with the modern machinery we have, I do not believe anything will be gained by painting to our younger men such a picture as that it is necessary to work for sixteen or seventeen hours a day to make a living.

I am pleased, Mr. Chairman, to have had an opportunity of contributing these few remarks to this debate.

Mr. WHITE (Middlesex East): In rising to speak to-night to the committee on the subject of agriculture, I had intended to begin my comments by saying something about the Canadian seed growers' association. I wish to compliment the hon. member for North Battleford on the address which he gave and in which he dealt so fully with that subject. I have compiled a number of figures regarding the work of the association, but I am not going to detain the committee this evening with them.

The hon. member for North Battleford dealt with seeds which are grown and used within Canada. I wish to say a word or two about seeds which are exported, and with which he did not deal so fully. The figures I will quote were supplied by the agricultural supplies board and relate to the crop year ended June 30, 1945. They dealt with alfalfa, red clover, alsike, sweet clover, brome grass, crested wheat grass, timothy, Canada blue grass and creeping red fescue. The total value of these exports amounted to $5,571,289. Along with that were exports of flaxseed to the value of $203,000, flaxseed for commercial use to the value of $3,656,000, potato seed to the value of $5,464,679, and seed grains not otherwise listed, $1,548,000. As I said before, this does not include the value of seed grain sold and used in Canada. So that I think the small appropriation to the Canadian seed growers' association of some twenty-five or thirty thousand dollars is an extremely fine investment for the Department of Agriculture to make, and if all the investments of the government brought returns in the same proportion we would be getting somewhere.

I also wish to make a few remarks regarding the agricultural picture as I see it, representing as I do a constituency not entirely rural, but a constituency, as are many others in Canada, dependent upon the farmer for food. May I also emphasize that they are dependent on the farmer for prosperity. Too often in the past we have heard it said, "Give labour high wages and they will buy the farmers' produce." But if you give the farmer a decent price for his product he will buy the articles produced by labour. In the past you have the thing all backwards.

Mr. MacNICOL: They depend on one another.

Mr. WHITE (Middlesex East): Let me refer particularly to the agricultural policy in its relation to the wartime prices and trade board and, in particular, to Mr. Donald Gordon. Agriculture subsidies are an admission on the part of this government that prices were inadequate as of October 20, 1941, when price ceilings were fixed. A simple announcement at that time to the consumer public that if the world wanted to eat they would have to pay a fair price for the food they required, would have setled the matter right then and done away with all agricultural subsidies. I think the government, as is its practice in many other matters, looked around to see what would be politically expedient and then framed its subsidy policy. The present government knows very well and its advertisements and proaganda have shown that it was attempting to channel off purchasing power in consumers' hands.

At the outbreak of war, and ever since, the government has taken the attitude of not taking the public into its confidence. It would sooner wait and see what political advantage could be gained. The very time it was instituting subsidies of all kinds to maintain these so-called price ceilings was a time when people were better able to buy food than ever before because practically everyone employable was working in industry.

Let me at this time direct attention to the speech of the Minister of Agriculture in this house of April 15, and particularly at page 898 of *Hansard*, wherein he told how well off the farmers apparently were, and he stated that the mortgage indebtedness of farmers to some thirty mortgage companies was reduced by $102 million. I have not gone to the trouble

of verifying the minister's statement, but many farmers in my constituency will take me to task for not having done so.

Mr. GARDINER: Mr. Chairman, I just wish to keep the record right by saying that I said the very opposite to what has been said now.

Mr. WHITE (Middlesex East): It is in *Hansard*. Read it over again.

Mr. GARDINER: It is not in *Hansard* in those words.

Mr. WHITE (Middlesex East): I shall likely be taken to task for passing it by so lightly. While the Minister of Agriculture claims that farmers' private mortgages are reduced by $102 million, the public debt of every Canadian man, woman and child went up by leaps and bounds until it has now reached the grand total of $16,912 million, or, reduced to figures we can understand, $1,410 for each man, woman and child, and if a farm family consists of five, that is $7,050 for the family. How then can the farmer expect to get ahead while he saves his hard-earned money and the government spends it faster than he can create it?

Furthermore, I find in the report of the Canadian farm loan board for the year ended March 31, 1945, these figures, which may be of interest to the committee:

Loans to farmers, secured by first mortgages:	
Principal	$23,732,561 22
Interest due and unpaid	48,005 86
Interest accrued	256,689 78
Other charges	3,813 57
	$24,041,070 43

And from the Canadian farm loan board report for the year ended March 31, 1939, I find these figures:

Loans to farmers, secured by first mortgages:	
Principal	$30,054,207 94
Interest due and unpaid	612,484 89
Interest accrued	479,338 18
Other charges	16,545 59
	$31,162,576 60

It will be noticed that Canadian farmers in about the same period referred to by the Minister of Agriculture were able to reduce their indebtedness by only some $6 million. I therefore have grave doubts whether the farmer's condition is as rosy as the minister would like us to believe.

I spoke of Donald Gordon and agricultural subsidies. We hear a great deal of his alleged ability. We shall be better able to judge his ability twenty-five years hence. He should be compelled to reduce the debt of Canada by the amount of all the farm subsidies paid out unnecessarily to maintain a price ceiling that was not maintained. The amount of these subsidies runs into many millions. In 1944 alone it was $104,552,761 on items given in a statement by the dominion bureau of statistics.

I also stated that the price ceiling was not maintained and I make that statement for two reasons. First of all, the quality of practically all farm products has been maintained and, in some lines, improved, while the quality of many things the farmers buy has depreciated considerably. I will mention only a few items: lumber, coal, supplementary farm feeds and clothing. Not only that, but according to the dominion bureau of statistics when dealing with the cost of living index taxes are not considered, and I believe that about 30 per cent of the income of the Canadian people goes in taxes, so that this becomes a considerable item.

Let me quote a few comparisons taken from advertisements of food in the London *Free Press* of the week of October 16, 1941, and from the same type of advertisements in the same paper from the beginning of this year, and in most cases for the same retail food store advertisements as in 1941. These are some of the prices quoted in the London *Free Press* of October 16, 1941: prime beef brisket, pot roast, nineteen cents; since January 1, 1946 it has been twenty-three cents; shoulder roast, prime rib roast, twenty-five cents in 1941 and to-day, thirty-nine cents; porterhouse steak, thirty-three cents in 1941 and now forty-three cents; sausages, twenty-seven cents in 1941 and to-day, thirty-five cents.

In these quotations, I would point out that while the ceiling has been pierced as far as these finished products are concerned, the price of farm products the farmer sold has gone up but little in comparison. Hams were selling at that time at twenty-seven cents; to-day they are forty-four cents; veal at that time was twenty-four cents and since January 1, 1946, thirty-five cents in retail stores. With these prices going up in that way, without any increase as far as the farmer is concerned, the farmer is placed in a serious position. I thought I would take this opportunity of bringing these facts to the attention of the minister.

Mr. PEARKES: Mr. Chairman, may we call it eleven o'clock.

Mr. GARDINER: Is the committee desirous of carrying on the general discussion to-morrow, or can we pass item 1 and continue that discussion under the other items?

Mr. NICHOLSON: There are a few questions of a general nature which I should like to ask.

Mr. GARDINER: Many of the speeches which have been made to-day could properly have been made under the appropriate items, as we went along, particularly a speech such as that on seed, because there is an item in connection with seed. It would be better to have such speeches made under the appropriate items because the committee could get more information in regard to the items. I suggest that as soon as possible we would like to get the item through on administration and we could take up the discussion on the four divisions of science, production, marketing and specials. If we can do that at an early opportunity we shall get along more rapidly and the committee will get more information. Could not item 1 be passed to-night? We have not followed the practice of holding members down on any of the subsequent items to the letter of the rules, but it would permit us to get along more expeditiously if the suggestion I make were adopted.

Progress reported.

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

Friday, May 10, 1946.

The house met at three o'clock.

THE LATE HARRY LEADER

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, a week ago to-day, it was my sad duty to remind hon. members of this house of the first loss which death had occasioned in its membership in this new parliament. Hon. members will have seen in this morning's press, the announcement of the passing last night of another of our number, Mr. Harry Leader, the member for the constituency of Portage la Prairie.

It cannot be said that Mr. Leader's death was unexpected. For years past his health had been steadily failing, and before the end of last session he was obliged to give up his duties in parliament and return to his home.

Mr. Leader knew that he was suffering from the dread disease of cancer, but had hoped that the treatment he was receiving might prolong his life. Some time before the last general elections he announced he would not again be a candidate for parliament, but would devote the remainder of his life to furthering cancer research in whatever way he could. In the belief that he had made some progress towards recovery, Mr. Leader yielded to the wish of his friends and again became a candidate and contested the constituency successfully.

It is not without significance that Mr. Leader's death has occurred at a moment when there is under way a nation-wide campaign for the raising of funds to further cancer research and to combat by all known means the spread of this appalling disease.

Mr. Leader's death should speak even more strongly to the nation than any words or efforts he might have been spared to put forth had his life been further prolonged.

Mr. Leader was born in Burnside, Manitoba, sixty-six years ago, in what was to become his home constituency—Portage la Prairie. In point of service he was one of the oldest members of parliament, having first entered the House of Commons at the general election of 1921. There are, I believe, only seven members of the present house who can date their first entry into parliament from 1921 or earlier. Mr. Leader's name gained special prominence in the general elections of 1921, at which election he defeated the Right Hon. Arthur Meighen, who at the time was prime minister. Mr. Leader himself was defeated by Mr. Meighen in the general elections of 1925. He did not become a candidate again until 1935, when he was reelected for Portage la Prairie. He was again reelected at the general elections of 1940 and 1945.

Mr. Leader was one of the best known of the western members of parliament. He entered this house and sat as a member of the Progressive party in 1921 until his defeat by Mr. Meighen in 1925. He was then absent from the House of Commons for ten years. In that interval of time he had, like the great majority of Manitoba Progressives become associated with the Liberal party, and when returned in 1935 took his seat on this side of the house.

For most of his life Mr. Leader was a farmer and will be remembered for his strong advocacy of policies which he believed would best serve the interests of the farming communities. He was a well-known figure as a breeder of pure bred cattle. A sterling independence and deep sincerity were outstanding qualities of Mr. Leader's character. In his passing the parliament of Canada has lost one who, throughout his life, had faithfully served the public interest in many fields of activity and who, in his death, has left a record of undaunted effort and heroic endurance.

Mr. Speaker, Mr. Leader is survived by his widow, one son and two daughters. I know I express the wishes of all parties in the house when I ask that you convey to Mrs. Leader and other members of the family an expression of very sincere sympathy from all hon. members of the House of Commons.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am sure members of this party would wish to be associated with the Prime Minister's remarks. For a quarter of a century, Mr. Leader was a personal friend of mine. He was born, lived his life and died on the Portage plains of Manitoba, one of the most fertile agricultural areas in Canada.

For forty years he was engaged in public life in one form or another, either in the municipal council or here in the House of Commons. During his service here he sought to do two things, among others; first, he tried to secure a better deal for that section of our economy which produces the nation's food; and secondly, in his later years, when suffering from a malady which all too often proves fatal, when he thought he had found in the researches of a medical man in Winnipeg a means by which the prevalence of this disease could in some degree be lessened, he sought to encourage cancer research and to spread the doctrines that improved nutrition might help prevent extension of that malady. His death yesterday is a further indication that this disease still has secrets from medical science. But I am one of those who believe that Mr. Leader's speeches were not made in vain, because in recent years we have learned that improved nutrition has a great deal to do with the prevention of disease and early death.

In the passing of Harry Leader, Manitoba has lost a good citizen and this house has lost a good member. We here are pleased to associate ourselves with the motion of sympathy moved by the Prime Minister.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I associate the members of the C.C.F. party in this house with the expressions of sympathy that have been heard. Like the Prime Minister (Mr. Mackenzie King) and the leader of the opposition (Mr. Bracken) I had known Mr. Leader for a number of years. I knew him when we were associated together in the old Progressive party; and while we sat in this parliament on opposite sides of the house Mr. Leader was one of the men for whom I and those associated with me had the very highest regard.

We have lost two members of the house recently through this terrible scourge of cancer. I remember sitting in the gallery of the Saskatchewan legislature when I believe the present Minister of Agriculture (Mr. Gardiner) was leader of the opposition, and hearing one of his supporters, a doctor, who at the time was speaking of this dread disease make the statement that if that legislature represented an average group of persons in this country, of the sixty-five members thirteen would die of cancer. In the same proportion, forty-nine members of this house might be afflicted with that terrible disease. Harry Leader performed a great service to this country, I believe, when he brought before this house as forcefully as he did the hope that something might be found to meet the menace of cancer. We shall long remember him as a fine son of Canada and as a splendid representative of that great class who produce the food of the country; and those of us who have had personal association with him, in spite of any differences we may have had, will remember him as a fine and true friend.

On behalf of those associated with me, sir, I wish to join in the expressions of sympathy to his wife and family in the great loss which they have sustained.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Leader was honest, sincere, independent, public spirited, and virile. As a member of parliament he was conscientious, industrious and effective. A genuine man of the soil, he was a consistent and progressive representative of men of the soil. Mr. Leader's death has occasioned a distinct loss to this house. The members of the Social Credit party join other hon. members in mourning his death and in extending sympathy to those bereaved by his passing.

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I was on my way home for a long week-end when I heard of the death of my deskmate, Mr. Leader. I thought it my duty to return to Ottawa to say, in addition to what has been said of him already, that he believed in the brotherhood of man; that he was a great farmer and a great gentleman, with a big heart. I convey my deepest sympathy to his widow and children.

Mr. WILLIAM BRYCE (Selkirk): Mr. Speaker, it is unfortunate that Canada has not produced more men of the type of the late hon. member, Harry Leader. His death is not only a loss to parliament but is a great loss to agriculture. His name will be remembered wherever Aberdeen Angus cattle are talked about, long after most of us have passed to the great beyond. Harry was a personal friend of mine for twenty-five years. I met him first as a fellow member of the United Farmers of Manitoba. We all appreciated his fine qualities, his honesty, sincerity and humanity. The greatest single quality which raised Harry in our esteem was his supreme courage. He fought against wrong wherever he found it. He always worked for what he thought was right, and championed

the cause of the weak and the poor. He fought on courageously, though stricken with the incurable disease which has now taken him to his last home.

When words fail me in expressing my sentiments at a time like this I naturally turn to the ploughman poet of my native land, Robert Burns, who said:

> An honest man here lies at rest,
> As e'er God with his image blest;
> The friend of man, the friend of truth,
> The friend of age, and guide of youth;
> Few hearts like this, with virtue warm'd,
> Few heads with knowledge so inform'd.

STANDING ORDERS

First report of standing committee on standing orders.—Mr. MacLean.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 65, for the relief of Ruby Rosina Burnett Walters.—Mr. Maybank.

Bill No. 66, for the relief of Winnifred Violet Unsworth Thomas.—Mr. Maybank.

Bill No. 67, for the relief of Helen Louisa Willcox Reid.—Mr. Maybank.

Bill No. 68, for the relief of Richard Carter Eaton.—Mr. MacLean.

Bill No. 69, for the relief of Annie Coyle Frances.—Mr. Stuart (Charlotte).

Bill No. 70, for the relief of Beatrice Irene Moore Hawes.—Mr. Maybank.

Bill No. 71, for the relief of Laura Lillian Butler May.—Mr. Maybank.

Bill No. 72, for the relief of Gladys Ethel Standring Weldon.—Mr. Maybank.

Bill No. 73, for the relief of Elizabeth Maude Foy Gage.—Mr. MacLean.

Bill No. 74, for the relief of George Burley Beresford.—Mr. MacLean.

Bill No. 75, for the relief of Isabella Eleonora Cantlie Angus.—Mr. Maybank.

LUMBER

DOMESTIC SUPPLY IN SMALL TOWNS AND RURAL AREAS

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Reconstruction. On one or two occasions in the past he has answered questions with respect to the supply of lumber, but they do not quite cover the cases which have been brought to my attention in recent weeks from rural Manitoba.

I wish to ask the minister a question arising out of requests I am receiving with respect to supplies of lumber in rural Manitoba, requests which reveal what is said to be the most serious shortage in the history of certain of the towns there. Will the minister tell the house what action the government is taking to meet the situation arising out of the shortages of lumber, particularly in small towns and rural areas in Canada, and what these areas may expect in the way of supplies during the next few months?

Hon. C. D. HOWE (Minister of Reconstruction): Mr. Speaker, my hon. friend, in referring to the most serious shortage of lumber in the history of those areas, is speaking, I presume, in a comparative sense only; because I feel certain that more lumber was used in Manitoba in 1945 than at any previous time in history. However, the supply is short of the demand. March and April are always the low points in the distribution of lumber, because, while the logs have been cut, the lumber has not yet been distributed from sawmills. The cut last winter was the largest in the history of Canada, considerably larger than in the previous winter, and I think that every yard can expect more lumber this year than it received last year. The additional supply is some 400 million feet more than last year.

The amount being retained for domestic purposes will be increased by the full amount of the increased cut, and I feel certain that by midsummer the supply of lumber in all parts of Canada will be much easier than it has been in the past.

Mr. CASTLEDEN: Has any action been taken to curtail the export of lumber which is so badly needed in Canada?

Mr. HOWE: I have answered that question several times. I have said that lumber exports to our historic markets have been and are being maintained at their pre-war levels, and that the increased production in Canada is going into domestic use. I think the house will commend that policy. I think that countries which have relied on Canada in former years as their source of supply for their needs are entitled to receive that supply in post-war years as they did in the war years. We hope they can always depend on that supply. Canada is in a similar position in connection with its imports of commodities such as coal and cotton and a great many others. We rely on those countries which have in the past exported these supplies to Canada to look after the Canadian position in difficult times as well as in ordinary times, and I am happy to say that in general those countries have followed that policy. Canada is only doing for these countries what we wish them to do for us in following out our policy in the export of lumber.

Mr. ROSS (Souris): There was a report in this morning's press that owing to shipping

conditions in the United States much of the better grades of lumber intended for export to the United States are piling up in this country. I would ask the minister whether the controller could not divert some of this export lumber to lumber dealers in Canada until United States transportation difficulties are ironed out.

Mr. HOWE: The controller is watching the situation very closely, but I would point out that the lumber exported is of different sizes and grades from domestic lumber and I doubt that it could be efficiently distributed in Canada. To distribute it in Canada would have no effect in the long run, because we have an agreement with the United States as to the quantity of lumber to be exported to that country, so nothing would be gained by taking the lumber now awaiting export.

FOOD

INQUIRY AS TO GOVERNMENT ACTION IN REGARD TO WASTE

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): I should like to ask the Minister of Finance a question of which I have sent him notice. Does he feel that the government has done everything in its power to cut down the waste of food, having regard to the widespread famine conditions in the world and to the great and sometimes shocking waste at the present time in Canada?

Right Hon. J. L. ILSLEY (Minister of Finance): I did not receive the notice of the question; had I done so, I would have handed it to some other minister, as it is not a matter under my jurisdiction and any answer I gave would be just an expression of personal opinion, which I assume is not what the hon. gentleman wants.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, the matter is one which is dealt with by a committee of which I happen to be chairman. Just before coming into the house I approved an advertisement which is going into the press right across Canada dealing with that very matter. It is not the first but the fourth such advertisement which has been put out. Contact has also been made with organizations of different kinds in order to impress upon the public as much as possible the need for preserving food and seeing that it is distributed in a proper way.

Mr. MACDONNELL (Muskoka-Ontario): Mr. Speaker, that is not an answer to the question I asked. I will repeat it, and perhaps the minister will be in a position to answer on another occasion. I asked whether the government had done everything in its power to cut down the waste of food, not whether it had done certain things.

EXTERNAL AFFAIRS

REFERENCE OF CERTAIN ESTIMATES TO STANDING COMMITTEE

On the orders of the day:

Mr. SOLON E. LOW (Peace River): Mr. Speaker, will the Prime Minister tell the house when we may expect the external affairs committee to begin its discussions, and whether that standing committee should not immediately set about the consideration of recent world events which are bound to affect Canada's international position?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in reply to my hon. friend I would remind him that the committees of this house control their own affairs. The committee on external affairs has been appointed. Its chairman is Mr. Bradette, and it is open to any member at any time to ask that the committee meet together. The practice usually followed, is for a member who is desirous of having a committee meet to ask the chairman to call its members together. With regard to the meetings of this committee I would think that that would be the proper course to follow.

As to the second part of my hon. friend's question, which he was kind enough to send to me, namely that the committee should "immediately set about the consideration of recent world events which are bound to affect Canada's international position," that is I think for the committee itself to decide.

I am obliged to my hon. friend for sending me the question. As the house knows, I had hoped that the debate on external affairs and on the work of the department would take place before the estimates were referred to the committee; I promised some time ago that the estimates would go to the committee. I had an understanding with my colleagues that as soon as the debate on the bill with respect to the loan to Great Britain and the debate on the citizenship bill were concluded I would immediately have the right of way to follow with a discussion of external affairs. But up to the moment, while the house has concluded its debate on one of those bills, it has not concluded discussion on the other. However, I am anxious that the committee on external affairs should have the fullest opportunity to proceed forthwith to consider the estimates in committee as they did last year, and if the house would grant me permission so to do, I should be prepared at once to move that the different votes relating to

the Department of External Affairs which were referred to the committee of supply on March 26, 1946, be withdrawn from that committee and referred to the standing committee on external affairs. Perhaps the house would grant me permission to revert to motions and have this motion put through immediately; it would mean that the estimates would then be referred and that owing to my absence there would be no loss of time in their consideration. May I take it that the house agrees? I move:

That votes Nos. 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55 and 56 inclusive, dealing with external affairs and referred to the committee of supply on March 26, 1946, be withdrawn from that committee and referred to the standing committee on external affairs.

Mr. BRACKEN: I am very glad to support the motion. In doing so may I suggest that the chairman proceed at once to call the committee so that it may proceed with its work?

Mr. REID: I am rising to object to the motion, and I am calling the attention of the house to the fact that this is an historic moment. I trust this is not the beginning of sending estimates to committees.

Mr. COLDWELL: We too shall be very glad to support this motion. We have asked for something of this sort for a long time.

Mr. REID: It is an historic moment, whether the house realizes it or not.

Mr. SPEAKER: Is the motion agreed to?

Mr. REID: No.

Mr. D. M. FLEMING (Eglinton): Mr. Speaker, did you read the items referred to as Nos. 41 to 54?

Mr. SPEAKER: Nos. 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56.

Mr. FLEMING: There are two other items, Nos. 39 and 40, when we come to that department.

Mr. MACKENZIE KING: What are they? Are they statutory amounts?

Mr. FLEMING: Departmental administration is 39, and passport office administration is 40.

Mr. MACKENZIE KING: I have not the estimates at hand, but if they are not statutory, certainly I would be only too pleased to have any numbers added, which should have been included.

Mr. HANSELL: I do not know that I rightly understand the motion. There seems to be some misunderstanding as to whether these estimates are to be referred to the external affairs committee.

Mr. SPEAKER: I regret to interrupt the hon. member, but according to standing order 38 this motion is not debatable.

Mr. MACKENZIE KING: May I say to the hon. member (Mr. Fleming), who has raised a question on the numbers, that I imagine he must have some previous year's copy of estimates, because my attention has just been called to the fact that No. 39 relates to salaries and expenses of the chief electoral officer, and No. 40 to the civil service commission.

Mr. HANSELL: May I ask the Prime Minister whether his motion seeks to refer these estimates to the external affairs committee or to the committee of the whole house? If it is to refer them to the external affairs committee, I do raise a point of order on that.

Mr. MACKENZIE KING: My hon. friend remembers that last session the estimates of the Department of External Affairs were referred to the committee on External Affairs. This is to give the committee an opportunity to discuss anything that relates to external affairs.

I think my hon. friend the member for New Westminster, in referring to this as an historic moment, has in mind something that has not taken place. He apparently has in mind that the committee that was appointed to deal with the rules has made some recommendation, with respect to referring estimates to committees. That would be the adoption of something wholly new. But that recommendation of the committee has not yet come before the house and has not yet been agreed to. All that I am doing at the moment is to help to make it possible for the committee on external affairs, which is one of the committees of the house, to discuss anything which relates to external affairs. I do not believe its members will be able to think of anything relating to external affairs which it will not be possible to bring up by reference to some particular appropriation.

Mr. BRACKEN: May I observe that when I agreed to support this motion it was on the understanding that this reference to the committee would be only for the committee to study these questions, but not for it to have final disposition of the estimates.

Mr. MACKENZIE KING: Oh, certainly.

Mr. BRACKEN: They will have to come back here and be dealt with in this house, the same as heretofore. But it was hoped by proceeding in this way we might save some of the time of the house while at the same time getting more information for members.

Mr. MACKENZIE KING: That is correct.

Mr. HACKETT: I should like to ask whether the Prime Minister would be prepared to make a statement as to the extradition treaty between Canada and the United States, on which the external affairs committee reported last session.

Mr. SPEAKER: Order. This motion is not debatable.

Motion agreed to.

HOUSE OF COMMONS

MINISTERIAL ARRANGEMENTS DURING PRIME MINISTER'S ABSENCE IN LONDON

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before proceeding to the next order of business, may I inform hon. members that during my absence the Right Hon. J. L. Ilsley, Minister of Finance, will be acting in the position of Prime Minister; the Right Hon. L. S. St. Laurent, the Minister of Justice, will be acting Secretary of State for External Affairs; and the Hon. Ian A. Mackenzie, Minister of Veterans Affairs, will be acting President of the Privy Council. Mr. Mackenzie will also continue in cooperation with the whips to exercise supervision over the organization of the business of the house.

To my hon. friend who asked a question a moment ago as to the extradition treaty, may I say that I am pleased that external affairs will for a time be in the hands of the Minister of Justice, who has a special knowledge both of external affairs, and of the legal questions involved in the matter referred to by my hon. friend.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $163,190.

Mr. PEARKES: Mr. Chairman, early this year the hon. member for Edmonton East paid a visit to Vancouver island. I hope that when the Minister of Fisheries is presenting his estimates the hon. member for Edmonton East will give us just as graphic a description of how he wrestled with a salmon as he gave us yesterday of how he wrestled with one of his sheep.

I notice that in his remarks he made some references to agricultural experts. Within a few miles of where he was staying this spring there is a dominion experimental farm where there are a number of gentlemen who may well be considered experts in agriculture and horticulture. I want to take up a moment or two to-day to call attention to the difficulties under which these civil servants are working. They are doing an important service for the country and for the farmers and horticulturists who live in the vicinity of their farm.

The hon. member for North Battleford explained in considerable detail yesterday the activities of the Canadian Seed Growers Association. I know that these experts at the experimental farm have rendered very considerable assistance to the bulb growers, fruit growers and dairymen on Vancouver island, and yet one is forced to the conclusion that these experts have in the past received a remuneration hardly commensurate with their ability. I am informed that in the past their salary has been about thirty per cent less than that paid in some nine other professions in which people with similar qualifications are engaged. Naturally these experts have to deal not only with the selection of seeds and the way in which fruit trees, bulbs and so on, are treated and protected against disease and the attacks of insects, but also with marketing conditions and other factors.

If we wish to attract to the agricultural service of the country the best type of our rural youth, we must give to those who enter that profession an opportunity of making a reasonable livelihood, and we must also afford them opportunities adequate to retain them. I feel that in the past, owing perhaps to lack of understanding and appreciation, and to the exceptionally low salaries which have been paid, particularly to the younger men in the agricultural branch of the government service, we have run a serious risk of losing these men and of encouraging them to go elsewhere.

I offer these remarks merely for the purpose of calling the minister's attention to the need for stimulating interest in what I might term the professional agriculturists who have done such excellent work for the farmers.

I desire now to take up the theme of the remarks of the hon. member for Fraser Valley (Mr. Cruickshank). I wish to refer to some of the statements he made in his speech yesterday. He said in part:

> I was surprised to find there have been only forty-eight applications for farms in my own riding under the Veterans Land Act. I fully expected there would be many more, but speaking from memory I believe only some seventeen have qualified and been granted farms.

The hon. member went on to explain what an excellent constituency he had.

Mr. CRUICKSHANK: I still hold to that.

Mr. PEARKES: I agree entirely with the hon. gentleman; I know that constituency, and it is a most attractive part of the country. Then he went on to say:

> It is surprising . . . there should be only forty-eight applications for farms under the act. The remedy is for this government . . . to guarantee these men not subisidies, but prices which will afford a decent standard of living and which will permit them to carry out their obligations and manage the debt they will be called upon to undertake if they are to settle upon farms.

That is the local picture. A few day ago, in answer to some questions of mine, the Secretary of State kindly tabled certain returns giving figures as to the number of men who have settled on the land, having taken advantage of the Veterans Land Act. I asked the questions first of all because I was anxious to find out what would be the effect, on the veterans who were trying to reestablish themselves on farms, of the imposition of the additional twelve and a half per cent on farm machinery, because it seemed to me that that would be placing an additional burden upon veterans who were trying to get reestablished.

One of the first questions I asked was: What percentage of the equipment which these veterans have bought was new equipment, and what was second-hand? The figures given to me, as tabled in the house, were that 79·6 per cent was new equipment; 20·4 second-hand.

The ACTING CHAIRMAN (Mr. Golding): I would call the hon. member's attention to the fact that we are now discussing the estimates of the Department of Agriculture, administration. The matter which he is discussing relates to veterans affairs and rehabilitation. I might also observe that yesterday we did allow wide discussion, perhaps quite a bit of it out of order, but I hope hon. members now will confine their remarks to the item under consideration.

Mr. PEARKES: I hope, Mr. Chairman, my build-up will convince you that I am endeavouring to confine my remarks to the item before the committee. I am merely building up my case by quoting figures which I think are pertinent.

The next question I asked had reference to the number of veterans for whom equipment had been purchased. The number given was 1,127. The next question was with reference to the number who had made applications for equipment, and the figure given was 2,101. These figures surprised me; I thought there would have been many more. Then I looked to see how many veterans had been established on the land, and I found, as far as full-time farming is concerned, by March 31, 1946, that 5,132 veterans had been established under the Veterans Land Act throughout the whole of Canada. These figures struck me as amazingly small. I made inquiries as to how many veterans had already been demobilized, as I thought that would give me an indication of the number of veterans who were going back on the land. I found that from May 1, 1945 to March 31, 1946, over 500,000 veterans had been demobilized from the three services, and that prior to May 1, 1945, an additional 400,000 had been demobilized. Admitting that some of those veterans may have had dual discharge, because that is quite possible, the sum total cannot be less than something well over 800,000 men discharged up to March 31, as compared with just over 5,000 who had been rehabilitated on the land. Therefore fewer than one per cent of the veterans who have returned to this country have been established on the land.

Frequently we have heard of the great agricultural resources of Canada. I have always understood that agriculture was one of our basic industries. I have been told many times in the house that we had the most generous and far-reaching scheme for the rehabilitation of veterans that could be found anywhere in the world. Surely there must be something radically wrong with the position of agriculture in the economic set-up of Canada if only slightly more than one-half of one per cent of all the veterans who have been demobilized almost a year since the cessation of hostilities have taken up farming on their own under the generous opportunities which are offered under the Veterans Land Act. I do not know whether it is the fault of the agricultural policy of this country or of the general economic set-up; but it is obvious that these men who had the courage to face the enemy in the air, on the battlefields of Europe, on the high seas or in the merchant marine, for some reason or other think they have not a fighting chance of making both ends meet if they take up agriculture in this great agricultural country.

I do not believe that any amount of propaganda, any amount of explanation which may be given, or any attempt to show increases in exports of this kind or that, can blur the stark tragedy of these figures—one-half of one per cent of our veterans re-established into agriculture under the Veterans Land Act one year after the cessation of hostilities.

I ask the Minister of Agriculture to give his earnest consideration to improving agricultural conditions in Canada and the position of agriculturists so that veterans who ran such risks for us during the past war will think it worth while to take up agriculture as their profession, as a means of livelihood, as a means of getting re-established into a satisfactory economic condition.

Mr. ROSS (Souris): I should like to support the concern shown and the request made by the hon. member for Nanaimo with respect to the future welfare of the settlers from the agricultural point of view. May I say that I was privileged to be one of the members of the committee on the Veterans Land Act which sat in 1942. I do not think it can be said that there is no close connection between the Veterans Land Act and the welfare of agriculture in Canada. They are closely linked up. Speaking on the bill which the committee brought before the house at that time, I said—

The ACTING CHAIRMAN (Mr. Golding): Order. I think that matter should be discussed when the estimates of the Department of Veterans Affairs are before the committee. I ask hon. members to discuss the item now before the committee, which is departmental administration.

Mr. ROSS (Souris): That is just what I am doing. When the motion to set up the veterans affairs committee was before the house I asked the Prime Minister and the Minister of Veterans Affairs if it would preclude a discussion on these matters in the house, and they said that the rules of the house would govern, but so far as they were concerned they would give us wide latitude. I raised that point before allowing the measure to pass without discussion.

The ACTING CHAIRMAN (Mr. Golding): The hon. member should keep in mind the fact that that suggestion was made to him in connection with veterans affairs. We are not discussing veterans affairs now.

Mr. ROSS (Souris): Does the chairman rule that there is no connection between the future of the settlers under the Veterans Land Act and agriculture in this country?

The ACTING CHAIRMAN (Mr. Golding): I do not want to make any ruling in the matter. We do allow a great deal of latitude in matters of this kind, but I trust hon. members will confine their remarks to the item now before the committee.

[Mr. Pearkes.]

Mr. ROSS (Souris): I am going to confine my remarks entirely to the administration of agriculture, and I shall not be very long on this point.

Speaking on this bill, as reported at page 4386 of *Hansard* of July 20, 1942, I said:

> May I say at the beginning that if it were not for the fact that I have some faith in the future, and a hope that agricultural parity will eventually be established in Canada, I would not have been able to support the bill even in principle. In the great nation to the south of us, the United States, there has been parity between agricultural and other products for a year now, and under the Washington wheat agreement of June 27, 1942, signed by the Argentine, Australia, Canada, the United Kingdom and the United States, the representatives of these nations have recognized the basis of a parity price for wheat which will return a fair remuneration to the producers as well as being fair to the consumer. On the basis of these agreements, and having regard to what has been done in the United States, I think we may hope that we are doing these settlers justice by establishing them on the land, because we hope that they will be able to carry on under parity prices, in the future at any rate. As I say, if it were not for that hope I for one could not have supported the bill.

I am prepared to admit to-day how illusory my faith was at that time, because under the increase in wheat prices announced in the United States the day before yesterday, and taking into account the difference in exchange, a farmer delivering his wheat in the United States will receive slightly over $2.50 a bushel, exactly double what the producer receives in Canada to-day. We have pretty well discussed the matter of dairy products, meat and other products. I repeated this declaration when we discussed the amendment to the Veterans Land Act bill last November. Speaking on September 25 last on the resolution asking this government to undertake to guarantee the producers floor prices of at least ninety per cent of parity, I wound up my remarks as follows, as reported at page 464 of *Hansard*:

> More than that, before many days have passed, when we discuss some of the other ministers' estimates and difficulties that already prevail to-day with respect to the rehabilitation of our service men, and especially those young men who want to settle on farms under the Veterans Land Act, if the government can assure them nothing more than this for the future years they will not be very eager about settling on the land.

I am not raising this point in any spirit of "I told you so", but I think it has been the vital concern of every member of parliament that these men should be rehabilitated on the land. As has been pointed out, one-half of one per cent of those who have been discharged, or some 5,132, have already been passed for settlement on the land. Surely that should be the concern of every public official in Canada. The situation has been

progressively aggravated since 1942. From day to day and from week to week it is becoming alarmingly worse.

In a return brought down on April 16, 1946, with regard to the 12½ per cent increase on farm implements, it was asked whether it would be necessary for these settlers to pay that increase, and the reply was, "Yes, certainly, less the deduction in commission allowed to dealers." This comes rightfully under a discussion of agricultural matters, and it is the concern of each one of us. Surely we hope to settle satisfactorily more than 5,000 of those men. Speaking the other night I pointed out that out of the many thousands of enlistments from the farms in the prairie provinces, only seven per cent had signified their intention of returning to those farms. Meantime they have been overseas; they have knocked around and have seen things in other countries. The result is that they want to try some other occupation.

I agree with the Minister of Pensions and National Health that it is in the interests of any nation to have a fair percentage of its population on the land. I agree, too, with what was said a few days ago by the Minister of Agriculture about mortgage indebtedness, and mortgages which have been reduced. If a man could have his land and stock clear of indebtedness, there would not be a better occupation than that of operating a farm, other things being on a parity or a reasonable basis. That is what we should be striving for in Canada, rather than having the matter aggravated as it is to-day. I wish to support the request of the hon. member who has asked that we endeavour to do something about making the future a much happier one, as well as more remunerative for those of our settlers who have sacrificed everything that we might live and enjoy this freedom. Thus far they have been successful in winning the battle for us. During the years they were overseas fighting that battle, on many occasions in this chamber I expressed my fear about properly winning the peace for them. We are in the midst of that great controversy to-day, one about which I have expressed so much doubt. I trust we shall be more successful in the future than we are now.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Chairman, I should like to say a word about the matter under discussion. I do not wish to go into detail, because I agree with what the chairman has said, namely that in discussing this question we are more or less out of order. However there have been some remarks by hon. members to the effect that they come from the best farming constituencies in Canada; and then they proceed to tell us that nobody wants to farm there. My story is somewhat different from that. I think, in view of what has just been said, that I must live in what is really the best farming constituency in Canada, because the first veteran who came back and made application for a farm in that area referred the matter to me. Then, later on, to complete the story, I was informed by the land settlement board that in two years time he had paid back all the money he received from the government, and that he was not even waiting for eight more years to be paid the $2,300 to which he would be entitled under the act, in order to secure clear title. He paid it all back in two years and received his clear title.

I think it is important that when we are discussing matters of this kind we should not discourage men from going on the farms by telling all these hard luck stories. In spite of the fact that I do not believe they are getting all they are entitled to, the farmers to-day are making more on their farms than they have made at any other time in my lifetime. Young men who are going back to the farms under present conditions are not experiencing what has been suggested in the house. They are possibly going back under conditions which will probably make it more difficult rather than less difficult for them in the future—and not because conditions to-day are trying, but because they are a little better than they usually are on farms in Canada or in any other country. That is because there is a greater demand for food to-day than can possibly be supplied by all the farm operators in this and every other country.

This being so, conditions are at least as good as we can expect them to be for a long time for those who are now going on the land. But when the suggestion is made that at this stage young men are not applying to go back on the farms, particularly in western Canada, I think I can suggest a much better reason than the ones which have been offered up to the present. Those of us who have lived in western Canada in the last number of years, and particularly during the ten years preceding the war, can well understand why many young men and women who have served in the armed services or elsewhere are not now going back to the farms. One of them is, of course, the difficulty they experienced in the ten years immediately preceding the war. They may feel that there is a possibility of similar conditions prevailing at some future time, and they possibly feel that they would like to settle themselves somewhere else.

However, I do not think that is the reason which has developed this attitude in the

minds of most of them. Most of them know what to expect in western Canada; they were born and reared there. The only people who will ever make a success at farming in western Canada are those who know that for every four or five good years you have, you are going to have four or five poor years. One could not farm in that country were it not for the fact that it is comparatively dry. It is both too far north and too high up to farm under conditions where there would be any more moisture than falls there in an average year. Those who would operate successfully on a farm in western Canada must learn that lesson first. If they have learned that lesson, then it may be possible for them to make a success of farming on the prairies.

The fact is that in the last ten years before the war no one could make a living in western Canada, the reason being that the world was preparing for war. We could not have sold our farm products, even if we had had good crops in those ten years. We would have had a very difficult time. France did not want our wheat; Germany did not want our wheat; Italy did not want our wheat. They would not take it. The reason they would not take it was that in some instances they were preparing food in their own countries, producing it by synthetic processes in order that they might have it there, behind their own fighting lines, in a war which they all knew was coming, but which we would not believe was coming. Because we had those ideas in this country, we had people who were saying, "Oh, we are never going to have another war. Why do you prepare for war in this country? Why do you even think about it? There isn't going to be another world war." In other words, we stuck our heads in the sand and let these people shut our food products out of their countries, thereby making it absolutely impossible for us to sell them. The result was that every boy or girl at home on his or her farm in western Canada just had to stay there. The farmers in this country do not do as the city people do, and I am not going to name any particular class of city people, because they are organized in a different way. In this country the farmer owns his own farm, or at least is trying to own it. He raises his own family on the farm. They are all part and parcel of the operation which is going on there. When their families are out of work because there is no market they do not turn their families out on the street to be kept by the state; they maintain their families themselves. Any person not gainfully employed on farms prior to this war was taken care of by the farmers, not by city councils or municipal councils or provincial governments or the dominion government. Unemployment in that form was taken care of by the farmers themselves, with the result that thousands upon thousands of young men who should have been in universities or given courses to prepare them for life somewhere else off the farms did not have those opportunities. Why, anyone who knows farming in this country knows that only one boy can stay on the family size farm, and one of the neighbour's daughters. They constitute the new family heads who will remain on the farm; and if the farmer raises a family of four or five or half a dozen or ten children, the others have to find a living on some other farms, in business or somewhere else. Someone says it has been that way for a hundred years. It has always been that way where you have family-sized farms, anywhere in the world.

So for ten years before this war began young men and young women were congregated upon the farms of this country because, during that period farming did not make it possible for them to obtain sufficient funds with which to secure the education or training they desired to permit them to go elsewhere when it became necessary for them to do so. As a result, during the war 400,000 of them left the farms and went into the services or the war plants; and with them all gone we produced on our farms forty per cent more food than we produced in the years prior to the war when those people were on the farms. This proves, as conclusively as such things can be proved, that these young men were not gainfully employed on the farms during that period when they were not doing the things they desired to do.

The hon. member for Nanaimo says we have been boasting about the many fine things we are doing for returned men. The very fact that we have done fine things for them; the very fact that I am told that a man with certain qualifications, certain service and a certain family to be maintained can draw under these provisions as much as $10,000 to get himself an education, is the explanation as to why some of them are not applying to do anything else at the present time. That is an explanation of the fact that every university in this country is jammed to the doors with veterans, with as many more clamouring to get in, to take advantage of the provisions made by the government for men coming back from overseas to be trained and educated in the institutions of this country for the life that is ahead of them. Before war broke out other countries were preparing for war, but we did not believe we should prepare for it. Therefore during the five or ten years before the war we did not take these men in and train them the way we had to train

them while the war was on. We had to give them an education in order that they could fly as they ought to fly, in order that they might handle equipment as it ought to be handled, in order that they might lay out plans for the battles that had to be fought, and so on. We would not do that before the war, but during the war we had to do it. Then when the war was over we sent thousands upon thousands of them back into the educational institutions of our country to be educated as they should have been educated before the war started; so I am not going to blame any of them for not going back to the farms in the meantime.

On the last trip I made west, last Easter, I think I had a very good indication of why some men do not go back to the farms. I went into the dining car for dinner. A young man, or perhaps not so young either, in airforce uniform, sat down across the table from me. He asked, "Have you an agricultural college in Saskatchewan?" I replied that we had. He asked if it was a good one, to which I replied that it was second to none, as far as I knew. Then he said, "Well, I think I will apply to go there." I asked what he was doing before the war, and he said he was teaching school. I asked how long he had taught school, and he said seventeen years. I asked why he was going back to university now. His reply was, "Well, I got married rather early in life and I did not find it possible to complete a university education under the circumstances, so I had to teach." I asked what family he had; I have forgotten whether he said four or five, but he went on to say that under the provisions which had been put into effect it was possible for him to go and do what he had always wanted to do, that is, complete his education in an agricultural college, so he thought he would apply for admission to the agricultural college at Saskatoon.

There is no doubt in my mind but that thoughts like these are going through the minds of thousands of young men. Some day that man may go back to a farm. He is not so young now—

Mr. REID: Not by the time he is through college.

Mr. GARDINER: He must be in his late thirties; and by the time he is though college, and as my hon. friend the member for New Westminster says, he may find that it is not too easy for a man to get properly started on a farm in a country that is well settled. It was not so difficult when I went west more than forty years ago, when we could get a homestead and start right in. To-day it is just about as difficult for a man to get properly started on a farm as it is to get started in any profession in this country; but a man appreciates being on a farm just a little bit more if he has had the opportunity to get a university education. That should not prevent a man from working with his hands, if he has the right kind of stuff in him. Some of the men who are making a great success in life, particularly in the older countries under systems which sometimes we condemn, and probably properly so, look upon this thing quite differently. I remember that many years ago I was coming down the main line of the C.P.R. when I met an English gentleman who operated a farm in Great Britain. He had two strapping sons sitting one on each side of him, and when we got to Winnipeg they got up and walked down the street. After they had gone I said, "Those are two pretty fine boys." He said, "Yes. They have just completed university over in England, and I took them for a trip around the world before they settled down on their farms. We are just on the way back, and they are going to farm in England." The thought went through my mind that if every young man who was going to be settled on a farm had that opportunity, not very many young men would leave the farm. Perhaps we would all be desirous of living out on a farm if we could start with that kind of background.

Those two young men came back after a while. That was in the days when men were standing on the street corners in Winnipeg. When the boys came back and sat down in the car the father said, "Well, what did you see?" They replied, "We were surprised to see in Winnipeg exactly the same type of men standing in groups on the street corners, apparently unemployed, as we see over in Britain. We can't understand it; they look like the same people." I have forgotten exactly what year that was, but it was the year that we made provision for bringing 3,000 men from Britain to help harvest the crops in western Canada. When they made that remark I said to them: Those are the same men. They are part of the 3,000 men who were brought out from Britain to help with the harvest. We had difficulties with them. Some of them were of the type who were causing trouble in the old country in connection with labour matters, and they raised difficulties with regard to conditions out in the fields of western Canada. They congregated themselves back in the city of Winnipeg. I am not making any criticism of them. I am simply saying that these two young men with their background were able to size up the situation simply by

walking for half an hour down the streets of Winnipeg and back. They wondered why in a new country like ours they found exactly the same situation on the street corners in Winnipeg as they had experienced in Great Britain in relation to labour troubles there.

I mention these things only to emphasize that if we want our young men to go on the farms we must first create better conditions than they have had in the past. We believe that for the time being we have better conditions than we had in the past, and we are hopeful that we can establish those better conditions permanently for the whole lifetime of the men who are going on the farm. But however long they remain, we can only persuade young men to go on the farm and remain on the farm by telling them of the opportunities in farming, what the privileges are of living on a farm, what the advantages are—because there are privileges and advantages in living on a farm in a country where you can own your own farm and where conditions are such that, as I said a moment ago, a young man can come back from the war, buy a good farm, pay for it in two years and get on with the job of creating a home that he and his young wife whom he married at the end of the war that he and she will be proud to live in.

I do not think we should be going round, particularly those who never have farmed and never intend to farm, telling people how terrible conditions are on the farm. Why should a young man go on the farm after listening to some of the speeches made in this house yesterday? If he knows anything about it he will say that those fellows do not know what they are talking about. If he does not know anything about it, he will say: I had better go and look somewhere else for a living. The fact of the matter is that in Great Britain only a small percentage of the people are on farms and the people who come here from the British isles are not accustomed to farming. I would say that ninety per cent of the people of Britain do not want to farm and never did. Some of them when they come over here like to make money faster than they can on a farm and even if they settle on a farm are anxious to get away from it for a while.

Within the last forty-eight hours I met a delegation of real farmers who had a complain to make when they came in. Of course, that is what most people come here for, to make complaints and to get wrongs righted. In the conversation which took place a statement something like this was made. Twenty-five years ago we could go down the streets of our cities and towns and hire immigrants who did not mind milking cows, hoeing sugar beets and doing other things that have to be done on a farm. There is no use in anybody going on the farm if he is not willing to hoe sugar beets, if he is not willing to milk cows, if he is not willing to feed pigs, and so on down the line. That is what has driven a large percentage of Anglo-Saxon people away from the farm. That is why so many farms in Canada are being settled by people who came from other than Anglo-Saxon countries.

If we want to keep our boys on the farm we have to preach a different kind of philosophy from what is being preached to-day in this house and elsewhere. We must preach the philosophy that there is nothing better or more worth while than producing food and clothing, the two things that are necessary for all of us. If farming, producing the things we need the most, is not considered one of the best of all professions or trades, or whatever you like to call it, there is something wrong with our way of thinking.

It is all very well to get up here and say what a wonderful class of people our farmers are, how fine they are; but just take your pencils and put down $1,600,000,000, which is the highest cash income the farmers of this country ever took in for three years' work—that was in the last three years—and divide it by 800,000. What do you get? It gives you $2,000 as the average cash return on a farm in Canada in the best three years we ever had in this country.

I go down to Toronto and a man tells me, as he did on one occasion: There is no reason why the farmers should not be the wealthiest people in Canada. I asked him why, and he said that someone had ninety acres just outside Toronto and they took $40,000 off that land every year. I said, "What are you talking about?" He said "They are taking light hogs off the market in Toronto, feeding them out on that land and then turning them back on the market when fit, and they took in $40,000 a year by doing that". He went on to say that there was no reason why every farmer in Canada should not do that. I said to him, "There are two very good reasons why it cannot be done,"—and hon. gentlemen would be surprised to know who this man was. He gives us advice about running this country. I said to him, "There are two very good reasons, and the first one is that if every farmer in this country produced that many hogs every year he would not be able to find a market for them, even at possible Chinese rates of return. The next reason is that there is not enough feed produced in Canada to feed a fraction of that number of hogs if every farmer was producing them." I said to him, "You are not talking about a

farmer; you are talking about a feeding lot, where a man takes the hogs, buys the grain, puts the hogs through his feeding plant and turns them back on the market. That is not a farm; that is not farming." Then I know of other cases: these cases are typical. Whenever you go into a certain part of this country and ask somebody to take you out and show you a farm, I know where he will take you. And I know that the man who owns that farm never lived on a farm in his life. I know that he got the first money with which he started his agricultural pursuits running an evangelistic campaign. I know that the next basis of the fortune which went into that farm came from race horses, and that the land was purchased as a result of that. It is a very fine farm, and most people who go to see it come away thinking that the owner is the type of farmer we have in Canada, that those are the type of people we have on farms in western Canada. I hear it said that they go to California every winter, or they go somewhere else in order to enjoy themselves; they do not farm; they work only a few months in the year. I have heard statements something like that since this debate started. These may be very fine people but they are not farmers.

I had the privilege only this morning of having verified something which I thought I had learned when I was in Europe recently. I have heard—I won't use the term I was going to use, but I will say—I have heard a great deal of buncombe about farming in some countries which are a long distance away. I always had the idea that at least fifty per cent what I heard had no basis in fact, but was based on what one is shown by propagandists for a thing. So when I was in Denmark last January I hopped out of the plane and into a car and I said, "Nobody knows I am in this country at all, nobody would know who I am if they did know I was here, so just show me a few farms". A young air force chap ran me around to half a dozen farms and I went in and took a look at them. I was never more surprised in my life than when I went into these farms. I have never seen on any well-run farm in Canada as poor cows as I saw there. I would not have the same kind of horses on my farm as I saw on some of theirs, and the chickens were as mixed as any flock of chickens you ever saw on any farm anywhere in the world. So I thought, well, there may be something wrong with the picture I had drawn for me of farms in Denmark. Only this morning I had the opportunity of having breakfast with a gentleman who made the remark that he had written a book on this matter some years ago, having been sent over by the government to investigate farming conditions in Denmark and elsewhere. I said, "What did you find?" "Well", he said, "I thought what I might see around Copenhagen might not be typical of the rest of the country, so we did not go to Copenhagen first. We just slipped in up over the mainland; we did not say anything to anybody, and we visited a number of farms before they knew we were in the country." "Do you know", he said, "that their farms are not any better than the back concession farms in Ontario? They are much the same type, operated in much the same way"; and he went on to tell me that when he drove into a certain place he was invited to dinner, that the mother of the family was out in the garden or out in the field, down on her knees, weeding sugar beets. He said she was dressed in clothing which looked very much like what we call gunnysacks. "What we had for dinner", he added, "was tapioca and one or two other foods which we would think very common on our tables in this country." I mention this in order to emphasize that this was the picture I found when I was there, but I was not sure of it. But he said that when the officials got hold of him they did not take him to places like that, but to places like the one of which I have been speaking and which you can find in this country too—quite a number of them—outside of Toronto and Montreal and probably Ottawa and other cities. I think we should toot our own horn instead of suggesting that our boys found things so much better elsewhere that they will not farm in Canada.

Too many people in this country do not know the farmers' condition, and too many people who don't know talk about it. As I have indicated, farmers in this country have had in the past three years an average cash income of about $2,000 gross, and out of that they must pay at the present time, if they want to get a man at all, about $100 a month, which is $1,200 a year. If anybody can tell me how a farmer who has to pay that much for help can pay much income tax, I should like to know how he is going to do it.

I thought I had to say that some time, and this is just as good a time as any to say it. We have been talking a lot about general matters, and a considerable number of those who have been on their feet have said that we ought to have more money for agriculture. I think I said at the beginning that we had increased the expenditures in every division, and everyone who has mentioned it at all has said that we ought to have even more. Well, I quite agree, but I have not been able to convince everybody else of that. But if I have convinced the committee of it I should like

hon. members to do one thing: let us pass one item and get on with voting the money we have been allowed.

Mr. NICHOLSON: I am sure that the members of the committee have listened closely, as they always do, to the Minister of Agriculture. It was a most unusual speech. He scolded all the members of the house for presenting the problems of the farmers in such a light that young men leaving the services might be afraid to take on the responsibilities of farming.

Mr. FRASER: Only those who spoke yesterday.

Mr. NICHOLSON: Yet he has stated that the average gross income has been $2,000 per year per farmer, which indicates that if some are getting $40,000 a year a great many are getting very little.

Mr. GARDINER: And it is more than you ever got until you became a member of this house.

Mr. NICHOLSON: That does not happen to be correct.

Mr. GARDINER: Very nearly.

Mr. NICHOLSON: Well, I should be glad to discuss that with the minister, but our personal affairs really have not very much interest for this parliament, and the reference is certainly not in very good taste.

Mr. GARDINER: You can apply it to seventy-five per cent of the people in this country.

Mr. NICHOLSON: Certainly, and I am not ashamed of the fact that my income has held some relationship to that of the people with whom I have worked.

Mr. GARDINER: To make sure that there is no misunderstanding about it, I will say that it is more than I ever had until I was a member of the legislature of Saskatchewan.

Mr. NICHOLSON: That, too, is interesting, but the minister would have done better not to raise the question of what he and I have been accustomed to having.

I think it was also unfortunate that the minister spoke of visiting the people of Denmark and came to the conclusions he did, considering that they were under German occupation and that many of their best breeding herds were completely destroyed. I spent two weeks in Denmark a number of years ago before the country was overrun by the enemy. I admit frankly that every farmer in Denmark has not a perfect herd, but the Danish people have earned a reputation all over the world for excellent breeding stock and producing a high quality dairy product. They have held the British market for years, and I should not be surprised if they made a bid for it again. I do not know how many farms the minister saw during his brief visit, but it is most unfortunate that a Canadian Minister of Agriculture should make comparisons of the kind as a result of such interviews as he had.

Every session I have taken advantage of this item to recommend to the minister that there should be a certain reclassification of salaries for the personnel in his department. But before proceeding with those remarks I should like to pay a tribute to him for a valuable international service which his department has recently rendered. I have a letter from P. S. Quan, who is an engineer attached to the department of irrigation, ministry of agriculture and forestry, in China. He recently spent three weeks in Canada studying irrigation and soil surveys work here. He visited the experimental station at Summerland, the irrigation projects in the Lethbridge district and the P.F.A.A. office in Regina. He writes to me:

> The admirable work done by your department—

I may explain that he was drawing his conclusions entirely from his association with these three branches.

> The admirable work done by your government and the intelligence and diligence of your farmers gave me deep impressions of the battle of food production. My Canadian trip was a most profitable one not only from the point of view of giving me a very good picture of developments in your country but also of giving me much information for our future developments in China.

I suggest that if the minister, from time to time, could find ways and means for promoting that sort of communication it would have a much better effect than the sort of contribution he made this afternoon with reference to Denmark.

I might also express thanks to the minister for a recent appointment that has been very well received in all parts of Canada, particularly the west. I refer to the appointment of Doctor K. W. Neatby as director of scientific services. This gentleman is one of the most distinguished graduates of my own alma mater, the university of Saskatchewan, and I am sure that everyone who knows him and knows the work he has done is glad to have him back in the work he is so well trained to do.

When I was discussing these estimates a year ago I said that in my opinion the personnel in the Department of Agriculture did not receive as adequate compensation as the personnel in other departments, or persons outside the government services. I may have

strange ideas in connection with these matters, but it is my opinion that the Department of Agriculture is as important as any other department of government. The minister has referred to the fact that the people who do scientific work in his department are probably as well paid as farmers. That possibly is true; but I think it should be the goal of the minister to see that those who work on farms receive the highest possible income, or at any rate that they have a fair share of the total national income. Likewise, those who work under his supervision in the government service should have a fair share of the amount spent for all services.

I do not think we can solve both problems immediately, but I do not think we should wait, to make adjustments in the civil service, until we have solved all other problems in the wider field of agriculture.

Last year the minister answered a question regarding the number of employees holding the bachelor's degree and receiving certain salaries. One receives less than $1,000; 287 receive less than $2,000; 358 receive less than $3,000; and only 96 receive over $3,000. There are sixty with master's degree reeciving less than $2,000; 113 receiving less than $3,000; and forty-seven receiving over $3,000. With the Ph.D degree there are ten receiving less than $2,000, forty-one receiving less than $3,000, and sixty-two receiving over $3,000.

I have never argued that because a man has a college degree he is entitled to an income that places him in a position of advantage over his fellows, but I imagine that most of the employees in the department holding degrees have come from farms. If one boy stays on the family farm and continues to develop it, even if his income is only the average of $2,000 over the whole nation in good years, while another boy goes to university, spends four years taking the bachelor of science degree, another two years receiving his master's degree, and a total of eight years until he receives his Ph. D., and if the latter has to pay off his debts and maintain a decent standard of living he should receive an income higher than the amounts paid to so many of the personnel of the Department of Agriculture.

Last year the minister argued that in his opinion the salaries in his department compared very well with those in other departments. However, checking over the public accounts, I find that the assistant deputy minister in the Department of Agriculture receives $4,800 a year, whereas the assistant deputy minister in the Department of Munitions and Supply receives $9,000. I am not acquainted with either of these gentlemen, but I assume both have important responsibilities.

Mr. GARDINER: I think the comparison could be made to better advantage with some other department, because the Department of Agriculture is permanent, whereas the other is only temporary, doing a temporary job, and considerations such as go with permanent employment do not go with it.

Mr. NICHOLSON: I realize that. I know that what the minister says is quite true, but when you have a man coming in from private industry and working alongside a civil servant who is better qualified and does a more responsible job at half the salary, you are bound to have friction. In the Department of Agriculture we have a relatively short list of men receiving $2,400 a year or more, whereas in the wartime prices and trade board alone I find that there are ten pages giving salaries of more than $2,400, many receiving $5,000, $6,500, $7,000, $8,000, and so on. The same goes for the Department of Munitions and Supply.

I submit that those who have been doing such important work in these scientific fields require a return that is a great deal higher than they have ever received. Last year when these estimates were up I referred to the annual pay of some of my class mates who were in university twenty years ago. Doctor Broadfoot receives $2,880. He was a brilliant student, one of our popular undergraduates. He went to the university of Minnesota and took his doctor's degree and now, after nearly twenty years, he receives a salary of $2,880. There is Mr. Russell, who has done outstanding work in the field of rust, who also receives $2,880; and there is Mr. Mead, who receives $2,400. These are three of my classmates who have all had upwards of twenty years' service and they are getting less than $250 a month. I maintain that this sort of compensation to industrious and capable civil servants is not good enough.

I was interested in an article in the Journal of the Professional Institute of the Civil Service of Canada, and I find that this problem has been agitating the civil service for many years. Back in 1922, shortly after the present Prime Minister took over his responsibilities, he was disturbed by the salaries prevailing in the civil service. However, the wheels of government move slowly, and it was not until 1927 that a special committee of the cabinet finally forwarded a directive to the civil service commission to make a survey of compensation rates paid to professional and scientific employees, with instructions to report

their findings to the government. That was in March, 1927. A year later certain recommendations were presented and they involved the spending of aprpoximately $750,000 more than was being spent. Those were the days, I may say in passing, when the question, "Where shall we get the money?" really stopped things. Nothing happened. Then about a year later, on April 16, 1929, a royal commission was established with the late Sir Edward Beatty as chairman and the late Doctor Walter Murray, of the university of Saskatchewan, and Sir George Garneau as members of the commission. They made a careful study and they came to certain conclusions. One of their comments was as follows:

> We have been especially impressed, however, by the slow rate of advancement observable among officers with from eight to twenty years of seniority. Many of these officers at a time of life when financial responsibilties of a growing family are apt to be heavy, have not yet reached a scale of salary which can be regarded as adequate, even for a decent subsistence. If their professional competence is not open to question, then they should be provided with opportunities for advancement which will at least enable them to pass on to their children the same educational advantages which they themselves have had.

But the recommendations they proposed required an additional $750,000 annually. The Minister of Finance of that day, the Hon. Charles Dunning, was completely stumped by this problem. I understand that Mr. Dunning is being honoured by the university of Saskatchewan. When we think of the problem of finding $750,000 in 1930 to meet injustices which had existed in Canada for many years we wonder why we could not find so little money when during the last four or five years we found so much for war purposes.

In this article there is a reference to the sort of treatment we have meted out to civil servants. It referred to Doctor Saunders, the man who gave Canada Marquis wheat. There can be no argument at all that his discovery has meant hundreds of millions of dollars to the people of this country, and yet we are told that in the estimates for the year ended June 30, 1905, the late Doctor Saunders was receiving the princely sum of $1,250, or little over $100 a month.

A good deal of publicity has recently been given to the development of rescue wheat. I understand that the principal work has been done by A. W. Platt, of the Swift Current experimental farm. His discovery is also going to mean millions of dollars to the wheat producers of this country; yet Mr. Platt's name does not even appear in the public accounts among those receiving $2,400 or more. I understand that he is receiving $1,800 a year, to support his wife and four children. I have also been informed that he has been offered a salary of $5,000 to go to the state university in Kansas, but because of his loyalty to this country and his hope that some day a measure of justice will be granted to civil servants like himself he has declined the offer to leave Canada. But I do not think it is fair to expect scientific workers who are doing this kind of work to continue in Canada indefinitely. I cannot see any good reason why this country which has raised so much money to prosecute a war cannot demonstrate now that we can adjust these grievances.

In the December issue of the *Institute Journal* there is a table showing a comparison of salaries paid to agricultural scientists in Canada, the United States and Great Britain. I am sure this comparison will be of interest to the committee and I shall read it. In the lowest grade Canada compares favourably with Great Britain. In grade 1, our range is $1,800 to $2,400; in the United States, $2,552 to $3,278; in the United Kingdom, $1,210 to $2,200. I might say that in these comparisons the United States dollar was taken at $1.10 and the British pound at $4.40. In grade 2, Canada, $2,400 to $3,000; United States, $3,278 to $4,004; Great Britain, $2,420 to $3,300. In grade 3, Canada, $3,000 to $3,300; United States, $4,004 to $4,730; Great Britain, $3,420 to $4,840. In grade 4, Canada, $3,300 to $3,600; United States, $4,730 to $5,698; Great Britain, $5,280 to $6,160. In grade 5, Canada, $3,600 to $4,200; United States, $5,698 to $6,622; Great Britain, $7,040 to $7,920. Grade 6, Canada, $3,900 to $4,500; United States, $6,853 to $7,777; Great Britain, $8,800. Grade 7, Canada, $4,500 to $5,100; United States, $7,892 to $9,047. Grade 8, Canada, $5,100 to $5,600; United States, $9,625 to $10,780. There is a note appended which states that in the United Kingdom they have various salaries in these high ranges from $9,900 to $11,000. Since this table was prepared I understand that there have been increases in the United States for all those getting less than $1,200. There has been a twenty per cent increase on salaries up to $1,200, a ten per cent increase from $1,200 to $4,600, and a five per cent increase above $4,600. I have also been informed that there was a resolution passed in the house of representatives approving a further flat increase of $400 over the whole service, but the senate was not prepared to go quite that far.

In one of these journals a list is given of the new members who have joined the veterinary group of the institute. Checking over the public accounts, I found that these men who have had a long and costly college

course are receiving salaries of $250 a month or less. I hold in my hand a copy of a brief that was prepared for the investigation in connection with health insurance by Doctor J. S. Fulton, director of animal research in the university of Saskatchewan. In his brief Doctor Fulton complains that compensation to graduates of veterinary science has been so low that they have not been able to attract a sufficient number of young men adequately to care for the health of animals and the supervision of meat and milk offered for public consumption. I know that most of the veterinarians listed here are engaged in the health of animals division. I have seen some of these men at work in the abattoirs. I consider that their work is of a responsible nature. It is not easy work. I can see no reason why these university graduates are not as important to the people of Canada as are the salesmen for Canada Packers or the Swift Canadian Company. It casts a serious reflection on our whole economic set-up when graduates in veterinary science find that if they give up the practice of the profession for which they were trained and look after cats, dogs and canaries they make a handsome living; whereas if they go out to the country to look after the health of cattle, horses and sheep they find it difficult to make a living.

In his brief Doctor Fulton points out that at the time it was prepared there were only forty-five qualified veterinary surgeons in the whole of Saskatchewan, which has a horse population of 830,000, a cattle population of 1,602,000; a dairy cow population of 467,700; a swine population of 1,325,400 and a sheep population of 410,000, not to mention a poultry industry with an estimated $20 million involved, returning to the producers $9,976,000. The whole point of my argument is that in my opinion the compensation provided by the Department of Agriculture for those who are well qualified in the various branches has not been comparable with the returns in other departments of government, and certainly not comparable with the returns—

Mr. GARDINER: They are just the best in the permanent service at the present time.

Mr. NICHOLSON: Then why is it that a man like Doctor Broadfoot, a Ph.D., is not entitled to more than $2,880, after serving for more than twenty years in the Department of Agriculture. Why should Mr. Platt, who is associated with the producing of—

Mr. GARDINER: Well, there is no use in dealing with individual cases. But I can tell my hon. friend that within the last few days I have received a statement from the authorities who deal with these matters stating that they have just now completed a full readjustment of salaries in these classifications in the Department of Agriculture, and that there is not any other department in which, up to date, that has been done.

Mr. NICHOLSON: If they have completed their job of reclassification, then I suggest that they start all over again.

Mr. GARDINER: But you are not an authority on even the men you are talking about.

Mr. NICHOLSON: But possibly I am an authority on balancing budgets and raising families in Canada, where the cost of living has gone up to such a great extent.

Mr. GARDINER: It has not anything to do with this. It was the civil service commission that made the readjustment. They have just written to say that they have practically completed the adjustment in the Department of Agriculture, an adjustment of pay upwards. I repeat that it has been dealt with more completely in this department, up to the present time, than it has been anywhere else.

Mr. NICHOLSON: If that is all we can hope for, then I think it makes the situation all the worse. I believe a great injustice has been done to the producers in Canada, if some hope cannot be held out in the very near future in connection with retaining in this country some of our trained scientists who have had such attractive offers to leave Canada and go to the United States.

Mr. GARDINER: What is the date of the publication from which my hon. friend has been quoting?

Mr. NICHOLSON: I have been quoting from the public accounts.

Mr. GARDINER: But when? The adjustments to which I have referred have been made within the last three months.

Mr. NICHOLSON: I have a statement of reclassifications in the science service, the divisions of botany, plant pathology and entomology. The hon. member for North Battleford referred to the matter yesterday. These are rates which are comparable.

Mr. GARDINER: But the public accounts are old.

Mr. NICHOLSON: Perhaps so, but I do not see in this statement the names of some of the persons with whom I am familiar. Unless something can be done in addition to what has been done I fear we are certain

to lose, in the next year or two, some of the better scientists whose departure from Canada would be a serious loss.

Mr. GARDINER: I take no objection to that statement. But when the statement is made that the Department of Agriculture does not compare favourably with other departments, I must object to it, because we have just completed a review of the classifications to which reference has been made, and my understanding is that they are now classified on a basis which is higher than that generally running through other departments. Others have, I believe, still to be adjusted to this.

Mr. NICHOLSON: What about reconstruction? The Department of Reconstruction is now a permanent department?

Mr. GARDINER: No, it is not a permanent department.

Mr. NICHOLSON: Would not the appointment to the position of assistant deputy minister of the Department of Reconstruction be a permanent appointment? Would such an official not receive all the benefits of a permanent member of the civil service?

Mr. GARDINER: There are really no permanent appointments in some of those departments to which reference has been made. The department itself is not necessarily a permanent set-up. Some of the staff in the Department of Munitions and Supply, which operated during the war, have been taken over by the Department of Reconstruction. Some still remain there who will go back to civil life.

I would not attempt to compare salaries in the Department of Agriculture with those in that department, without having all the facts before me. The civil service commission has had that job to do. We submitted all the technical staff in our department, and we were the first department to do so. Those technical staffs were submitted to the commission for review and for adjustment of salaries. I have been signing lists of them, from time to time, and I was informed the other day that the work is practically completed.

Mr. NICHOLSON: Does the minister mean that his department has finished that job, and that individuals in that department cannot expect anything more?

Mr. GARDINER: The work is practically finished, although there may be an occasional one left. I do not know about the gentleman just referred to. I do know, however, that the work is practically all completed, and to an extent more than in any other department.

[Mr. Nicholson.]

Mr. NICHOLSON: I do not wish to prejudice the cases to which I have referred. I just picked them out at random as the information appeared for two years ago and again last year in the public accounts. I happened to know Doctor Broadfoot very well, as we were undergraduates together.

Mr. McCULLOUGH (Assiniboia): Mr. Chairman, I have listened with keen interest to what has been said by the minister. Each time he speaks he treats us to some first-class oratory. However, on this occasion I do not find myself in agreement with him when he appeals to the committee to pass the first item in the estimates of the Department of Agriculture, so that we may get along more quickly. There is no one in the committee more anxious to proceed with the business than I am; but when I am convinced we are going in the wrong direction I cannot see any good reason for hurrying. In view of government policies announced in the past few weeks in connection with increases in the price of farm machinery, and an increase of three cents a gallon on gasoline, I am firmly convinced that the decontrol policy of the government respecting agriculture is not a satisfactory one. To my mind it is more important that we place some facts before the government in the hope that it may reconsider its decontrol policy for agriculture.

The Minister of Agriculture has made an appeal that we adopt the philosophy of urging people to go back to the farm. I can agree with him but assure him that my appeal, my philosophy, will be from a different angle. Rather than speak from a capitalist philosophy, I shall speak from the philosophy of the Co-operative Commonwealth Federation.

In the past few weeks we have heard from some of the ministers some emotional appeals for rationalization. I, for one, feel the time has come when we should stick to facts, figures and statistical data if we wish to legislate properly for the people of this country.

When the Minister of Finance was making his appeal, in justification of the 12½ per cent increase in the price of farm machinery, he said that we must have faith in the wartime prices and trade board, on the ground of its war-time performance. That is not good enough to-day when we are trying for all-out production to feed the starving peoples of the world, when we are fighting for peace at home, and to establish an economy where we can live in decency in a time of peace, rather than just in a time of war. It is of the utmost importance that we consider carefully all the issues involved in any policy. My contention is that this problem cannot be solved individually.

Agriculture is linked with other problems in the country. The future, the prosperity—yes, and the happiness of the farmers, the workers and the everyday people are indivisible. So, too, are their troubles interdependent. After having sat here last session and so far this session it seems to me that the elephants of monopoly, if I may call them that, are having another party. During the war these people were making tremendous profits; in other words, they had a party, and they came out of that with huge amounts of money. I remember the evening the Minister of Finance announced in the house an increase in the ceiling on farm machinery. I was sitting in my seat, and it seemed to me he was making a purely emotional appeal to this house. For a while I thought he was giving us a real sob-story in behalf of the farm machinery companies of this country; but when I looked down at my desk I saw some financial statistics for a number of companies taken from the Bank of Canada statistical summary, October-November, 1945. I should like to put this table on *Hansard* without taking time to read it. If I have permission of the committee I shall do so; otherwise I intend to read it into the record. Have I your permission, Mr. Chairman?

The ACTING CHAIRMAN (Mr. Golding): Has the hon. member unanimous consent to place the statement on *Hansard*?

Some hon. MEMBERS: Agreed.

Mr. McCULLOUGH (Assiniboia): The statement is as follows:

Financial statistics of 686 companies (all with 1941 assets of $200,000 or over for which consistent reports are available, 1936-44). Bank of Canada statistical summary, October-November, 1945.

	1936-1939 average	1940-1944 average	Increase per cent
	(millions)		
Net operating profit before depreciation	436	741	70
Depreciation	113	171	51
Net income before income and e.p. taxes	323	564	75
Net income to stockholders (incl. refundable EPT)	264	294	12
Undistributed profits (incl. refundable EPT)	49	84	71

	1937	1939	1944
Net operating profit before depreciation	468	484	722
Depreciation	115	119	160
Net before taxes	355	363	560
Net income to stockholders	293	289	278
Undistributed profits	74	66	81

Net operating profit in 1944 was $254 millions more than in 1937, and $238 millions more than in 1939; 54 per cent higher than in 1937, and 49 per cent higher than in 1939. Depreciation was $45 millions more than in 1937, and $41 millions more than in 1939; 39 per cent more than in 1937, and 34 per cent more than in 1939. Net before taxes was $205 millions more than in 1937, and $197 millions more than in 1939; 58 per cent more than in 1937, and 54 per cent more than in 1939. Net income to stockholders was $15 millions less than in 1937, and $11 millions less than in 1939; 5 per cent below 1937, and 4 per cent below 1939. Undistributed profits were $7 millions more than in 1937, and $15 millions more than in 1939; 9 per cent above 1937, and 23 per cent above 1939.

	1944 Increase Over 1936 (millions)		Over 1937 (millions)		Over 1939 (millions)	
	$	%	$	%	$	%
Cash	191	91	179	81	141	54
Securities	335	161	351	183	371	216
Cash and securities	526	126	530	128	512	119
Net working capital	690	82	655	75	578	60
Net working capital excl. inventories	284	85	314	103	270	77
Funded debt	–159	–16	–137	–14	–126	–13
Preferred stock	– 62	–11	– 45	– 8	– 36	– 7
Funded debt and pref.	–221	–14	–182	–12	–162	–11
Earned surplus and surplus reserves	539	73	479	60	437	52

Total new investment in plant, property and equipment, 1940-1944, $591 millions, an average of $118 millions; 1936-1939, total of $436 millions, an average of $109 millions.

Total depreciation, 1940-1944, $855 millions, an average of $171 millions; 1936-1939, total of $452 millions, an average of $113 millions.

Plant, property and equipment, net, in 1944, were $2,158 millions, as against $2,431 millions in 1936, a decrease of $273 millions. Total depreciation, 1937-1944, was $1,200 millions; total new investment in plant and equipment was $936 millions.

Depreciation as percentage of plant, property and equipment (net) in each year (i.e., 1937 depreciation as percentage of net value of plant, etc., at end of 1936):

1937	1938	1939	1940	1941	1942	1943	1944
4·73	4·54	4·88	5·85	7·19	8·12	8·08	7·19

Average rate for the 5 war years was 7·29 per cent; for the 3 pre-war years, it was 4·72 per cent. Increase was almost 55 per cent.

Net income to stockholders as percentage of shareholders' investment:

1936	1937	1938	1939	1940	1941	1942	1943	1944
8·36	10·42	8·69	10·14	9·77	10·25	9·93	9·07	8·48

Twelve monopolies and near-monopolies:

13·3	17·6	13·7	14·8	13·6	13·6	13·0	11·4	9·5

	1936-1939 average per cent	1940-1944 average per cent
686 companies	9·4	9·5
12 monopolies	14·9	12·2

Pre-war monopoly rate was about 58·5 per cent higher than general rate; war, about 28·4 per cent higher. (Monopoly and near-monopoly figures from *Financial Post* survey of corporate securities.) (The 12 monopolies are: Canadian Westinghouse, Canadian General Electric, Canadian Celanese, Canadian Industries Limited, International Nickel, Imperial Tobacco, Aluminium Limited, Imperial Oil, Canada Cement, Consolidated Mining and Smelting, National Breweries, Canadian Breweries.)

I have just tabled reports showing the profits some companies have made during the war. I want to go farther and prove to the Minister of Agriculture, if I can, that this implement price increase at this time is completely unjustifiable. I have here the report of the select special committee on farm implement prices and distribution of the legislature of Saskatchewan, dated March 27, 1939, from which I desire to quote in regard to the price structure. This is what I find at page 10, speaking of farm machinery companies:

Early in 1936 the companies announced an increase of price in farm implements amounting to 4·4 per cent as found by the Ottawa committee. It was this particular increase, announced after a substantial reduction in the tariff from 25 per cent to 12½ per cent, that gave rise to the Ottawa inquiry. Despite a further reduction in the tariff to 7½ per cent and despite the findings of the Ottawa committee that this increase was not justified and that the prices of farm implements had been, over the years 1913-36, too high, despite, too, a definite finding that there was an excessive markup over cost on cream separators and repair parts, and that the prices of these should be particularly and substantially reduced, this committee finds that none of these findings were given effect to, and that, in addition, further price increases occurred in 1937.

Further on, the report has this to say in reference to labour costs:

Between 1930 and 1933 the Massey-Harris company put in operation a ten per cent decrease in wages paid in their plants. In 1935 the company restored two and a half per cent of this decrease and since then has restored the balance of seven and a half per cent, thus re-establishing the same scale as was in force in 1929. It can, therefore, be clearly seen that the increase in the price of implements between 1929 and 1939 is not attributable to higher wage costs. In 1929 the I.H.C. binder sold in Regina for $283, and in 1939 for $324.75.

[Mr. McCullough.]

Carrying that a little farther, Mr. Chairman, I find in the *Journals of the House of Commons* for 1937 tables showing that the cost of an eight-foot binder in 1913 was $84.96. The price to the farmer was $165 and the net sales realization. $123.03, or a profit of a little over 28 per cent. In 1935 the total cost was $128.29; the price to the farmer was $265.50; the net sales realization was $187.23. and the profit was $58.99, or almost 46 per cent. There is an estimated backlog of farm machinery in this country to-day amounting to around $200,000,000. If we take the profit per $100 of cost, according to this table appearing at page 435 of the Journal, we find that these machine companies, in filling their backlog of farm machinery will make a profit of around $140,000,000. The government has allowed certain increases in the price of steel, and it has also been argued that labour is partly responsible for the increased prices of farm machinery. I have here a table showing that profit, not labour, is the cause of high prices for farm machinery. This is taken from *The C.I.O. News* of September 10, 1945. It refers to a United States federal trade commission report, and has this to say:

The idea, which is common among farmers, that labour costs are the reason for the high price of farm machinery is completely exploded by the study, which shows that labour costs range from only 5·9 to a maximum of 14·6 per cent of the price the farmer pays for his machinery.

It goes on to say that this federal trade commission report takes a combine selling for $638. The labour costs were only $46.43, or 7·3 per cent of the price paid by the farmer. Materials such as wood, steel, iron, fabric, rubber and so on cost $174.27. Counting the work of mining ore, cutting the timber, and so on, plus the factory work, the labour cost was $221. This leaves $417 to be accounted for in factory overhead, manufacturer's and dealer's margin, freight, manufacturer's distribution and dealer's discount. It goes on to say:

> The retail dealer's margin is 19·1 per cent and the manufacturer's margin is 13·4 per cent compared to the manufacturing labour cost of 7·3 per cent.

I could go on, and give more figures showing that this price increase is not justifiable, but I wish to point out here that the government allowed an increase in the price of gasoline. I have here a report by Mr. L. G. Reynolds in relation to the commission on price spreads, which has this to say:

> For many years the Imperial Oil has refined most of the gasoline sold in Canada, and this concern "fixes" prices for the industry. Imperial is the "price leader" and the other companies follow. Each dealer is generally bound by contract to take his gasoline from only one company, and the dealers are controlled by tacit agreement among the companies to withhold supplies from price-cutters.
>
> The companies have set the price of gasoline at a level that provides a wide profit margin. This has led to limited competition among the companies, not in price but in sales—extremely wasteful sales practices, and serious duplication of personnel, storage facilities, retail outlets, et cetera.
>
> A survey by the royal commission on coal and gas products in British Columbia, for instance, found that there was one gas station for every 48 cars in Vancouver as compared to one for every 114 cars in Seattle, Washington. The commission concluded that in most towns in British Columbia one-half or more of the stations could be eliminated with no loss in convenience to the public.

There we have the situation of this government allowing price ceilings to rise without thorough investigation of the effect on the Canadian economy and considering whether it is justifiable. I have received a letter from Mr. Brown, president of the Cooperative Implement company in which he says that this policy of the government has accentuated the need for cooperative control of farm implement prices. Since this is reflected in the Canadian economy and is bound to have serious repercussions all across the country I would recommend that the government consider seriously using the Combines Act and that it should not be satisfied until a thorough investigation has been made of the big machine companies in Canada.

I remember distinctly when the Windsor strike was on last year that, according to press reports, General Motors refused to allow government auditors to see their books to ascertain whether labour's demands for wage increases were justified. Therefore I suggest that the government make a thorough investigation of the prices of farm machinery to determine scientifically whether a price increase is justified.

I am in agreement with decontrol but not the type of decontrol which, on the one hand, satisfies the demands of people like these big machine companies and at the same time stabilizes the prices of farm products. The whole subject must be investigated on a scientific basis.

I have listened with interest to the Minister of Agriculture, for whom I have a great regard. I think he knows his department perhaps as well as any minister in the government. I was much interested in hearing him refer the other night to the principle of the ever-normal granary and to stability of prices. We in the Cooperative Commonwealth Federation have constantly advocated over the past years the ever-normal granary, and unless the minister is just paying lip-service to this principle of the ever-normal granary—

Mr. GARDINER: I advocated it before there ever was any C.C.F. party.

Mr. McCULLOUGH (Assiniboia): I am glad to hear that. But the remarkable thing is that the minister is advocating the ever-normal granary now when we have no grain and are scraping the bottom of our bins. But you cannot do it in that way. If you are to have the ever-normal granary you must take the good years and the lean years too. I stated in the house last year that we should adopt such a policy in Canada.

A report has been handed in to the provincial government of Saskatchewan by a commission appointed under the former Liberal government in which it is stated that the chemurgic use of farm products in western Canada was not feasible in view of our lean and good years. It is true that we have lean and good years. If we have 500,000,000 or 600,000,000 bushels of wheat to-day, under our present system we call it a surplus, but I say that if we have 1,000,000 bushels properly stored throughout the prairie provinces it should be like money in the bank.

I am a farmer and I do not think I can be classified among those to whom the minister referred as knowing nothing about farming. I feel a responsibility in the matter of what should be done in this crisis which we are facing to win the peace. The minister said

that he did not know how the farmers were going to pay income tax out of an income of $2,000, which was the average annual income of Canadian farmers in the best three years in our history. I might say to the minister that I cannot see how the farmers are going to pay 12½ per cent increase in the retail price of farm machinery. There is a nigger in the woodpile in this whole business of farm machinery. When I was home at the Easter recess the local dealers had a meeting in Regina and were told by one of the head men of the implement company that they were lucky to get any machinery at all because the company had overseas commitments which would take them many years to fill. There should be an investigation of this whole question of farm machinery, so that our farmers who during the past five or six years have built up a backlog of requirements during that period of controlled purchasing power on account of the war may be able to get a decent supply of farm machinery. If it is not forthcoming, the government should do something about the matter.

The Minister of Agriculture referred to some of the stories that are going around about people leaving the farm, many of whom are not going back. I am alarmed at the urbanization which is taking place in this country, and if there is anything we can do, and should do, it is to get our people back on the land. This trend of people leaving farms and going to the cities seems to me one of the most disastrous things facing Canada. People who live on the land have a sense of values perhaps lacking in people who do not know the feel of the good earth and have never known what it is to grow something. I am disturbed at the decrease in our rural population. The Canada Year Book says:

> Of the farm land already occupied in Canada, only 39-40 per cent of it is actually in use, and for the past several decades there has been a steady trend towards a smaller farm population. During the relatively prosperous decade of 1921 to 1931 a net total of some 350,000 people shifted from rural to urban areas. During the five-year period 1931-36 the prairie region actually lost population equivalent to 63 per cent of its natural increase, and during 1936-41 it lost all of its natural increase and 16,000 besides. In other words, the prairie provinces have been sending a surplus farm population elsewhere rather than absorbing population from other areas on the land. The rural areas of other provinces have had the same experience to a smaller degree.

There are reasons for that. I was in Fort William recently and spoke there, and in a visit around the city with the mayor of Fort William we went to that very fine building which was erected by the Canadian government to house the girls who were working in the Canada Car factory. The city of Fort William had taken possession of that building and were making it into two and three-room suites, because they had a housing problem. As we went through one portion of that building, which cost around $300,000, and I saw all the bathtubs piled up in a large room—there seemed to be dozens of them there—I remarked that I had seen more bathtubs in that one room than in all the Saskatchewan farms I had visited. That indicates one reason why our boys and girls do not want to go back to the farms. I should like to read to the committee, and I hope the Minister of Agriculture will listen, in view of his intimation that groups like ours are going around and spreading propaganda which was frightening people away from the farms, a statement contained in one of the government's own publications introducing Canada to British war brides. The title is "Not luxurious—no, not quite." This is what it says:

> Though usually comfortable, a Canadian farm home is not luxurious. You have only one chance in five of having electric light in a farm home, which means you must use coal oil (paraffin) lamps. You have only eight chances in one hundred of finding any sort of plumbing in a farm home, outside facilities taking its place. Six farm homes out of ten have radio (wireless), three have telephones, and nearly half have motor cars. One-third of Canada's farm homes have none of these conveniences. A considerable number are in need of repairs.

As I said, this is from "Welcome to War Brides", an official publication of the government. So that it is not only members of our group who may be accused of spreading propaganda which will deter people from taking up farming.

I have travelled from here to the province of Saskatchewan a matter of seven times in the last few months, and in doing so I met with a number of veterans. To-day veterans are trying to make up their minds what they are going to do. I feel that I know something about farming, not everything; but at least I have learned the hard way and, as the minister has stated, there is no better life than life on a farm, provided that one can make ends meet and have a decent standard of living and not be loaded down with debt so that mortgage companies and farm implement companies are hounding you day in and day out. But when a veteran speaks to me about going on to a farm and asks me what I think about it, I am afraid that conscientiously I cannot tell him that he has an even break. We find to-day that land values have gone up, and not only so, but there have been increases in prices of farm machinery and gasoline. Right there we have two strikes against the veteran.

Again, in the last year, although the government recognizes the need of some sort of stability for agriculture, there was a ceiling put on wheat for export. It is true that a floor was put under it too, but we never applied a quota to the amount which might be delivered. So that I think we have yet to go a long way to convince the veterans that agriculture in Canada has anything like stability. If in two or three years we in this country return to peak production, and European countries likewise go back to full production, we may be again faced with the problem of having several hundred million bushels of wheat on our hands. Veterans ask me, if that situation should take place, what will happen; are we to return to low prices and perhaps be unable to handle our live stock? Because, Mr. Chairman, we have not as yet any long-term agreements which will ensure decent prices for live stock. When I think that this government has seen fit to give only $6,000 as a maximum for veterans starting on the land, and now has allowed a 12½ per cent increase on machinery, I do not see how, unless these veterans are first rendered unconscious or are forced by exceptional circumstances, they are likely to go back on the farms. Let me point out that to-day you cannot get a small tractor for less than $1,500, and if you go to one of these sales of second-hand implements you will probably pay $2,200 or $2,400 for an old one, as they did in Yorkton. A small combine costs $1,700, and a truck costs $1,200. So that there, for three major pieces of machinery, you have a total outlay of $4,700; yet the veteran is allowed only $1,200 for farm machinery and $4,800 for land. How in the world is he to rehabilitate himself? The fact is, of course, that the veterans are just not going back on the land.

However, in my constituency there are quite a number of boys who have tried to save some extra money during their period in the services, and this is what they have found. When they go to the board they are investigated and inspected to find out if they are physically fit and otherwise capable of going on a farm. Often they find that it takes months for them to get the first interview. Then the property on which they wish to go has to be inspected. I took this matter up with Premier Douglas of Saskatchewan, and I should like to pass this on to the minister and ask him what he can do about this matter. It is in regard to hastening the inspection of the lands of these veterans who want to settle on the land. One person who was in the forces for five years, and has a family of five, was delayed three months before getting an interview with the board. After he was passed he went back to try to have his land inspected; it was in the district where he wanted to farm; the owner was retiring and had this land for sale. The situation was—and it is a typical one—that unless he made a down payment he would probably lose the property. It might be said, well, he could get a farm some other place. But that is not a satisfactory solution, for this reason, that a good many people want to go to the districts in which they lived before; they have their hearts set on a certain piece of land; they want to operate a certain farm. In the particular case I mention the veteran made an initial payment of $480 to hold the land, but when he tried to get it inspected there was nothing he could do about it, as the board advised him, until the following year.

I wish to point out that after men have served for five or six years and have come home and want to start up, something should be done to hasten their rehabilitation. I have heard that under the present set-up, and at the speed with which applicants can be interviewed and the land inspected, it will take years before the veterans are properly established, and it is not satisfactory simply to tell these men that they had better get something temporary. I spoke to the premier of the province asking whether they would be prepared to cooperate with the federal government in expediting the inspection of the land, and Mr. Douglas assured me that he would be ready to use the agricultural representatives of Saskatchewan, of whom there is a considerable number, in this work. I would appeal to the minister to do something about this matter.

There is just one other recommendation I would make to the government. We need to plan scientifically if we are to win the peace. We have had enough of the emotional appeal in this house, and if we are to have in Canada an economy that will be best for all the people it will have to be worked out on a scientific basis.

In conclusion, I would say this. Holding the views I do, I realize quite well the interdependence of the farmer and the common people. Nevertheless I courteously and as strongly as I can urge the minister and his colleagues to set up negotiated prices so that the cost of living and the cost of production as well as all other costs shall bear a fair relationship and that we may thus have production for use rather than for profit as the mainspring of our Canadian economy.

May I in closing quote from the C.C.F. manifesto:

> The future prosperity of the Canadian people requires the fullest development of Canadian agriculture. In the past the Canadian farmer

has not received a fair share of the national income. Agriculture, in the main, has accumulated huge deficits because farmers have received less than their cost of production. No modern industrial nation can afford poverty in any section of its people. The farmer is a consumer, as well as a producer. Farm people are entitled to the same standards of health, housing, nutrition and education as other sections of the Canadian people.

I believe the Minister of Agriculture himself, while in Saskatchewan, made a statement to the effect that at the time we went on to rationing of beef we had not shipped any beef out of Canada. That is an important statement, because in the first years of the war we started to put pay checks into the pockets of the workers so that we had a market for beef, butter, pork and cheese. While, therefore, we are concerned about foreign markets I suggest that we should see to it that there are no hungry children in this country and that everyone has all that he wants to eat and has a full stomach.

Mr. GARDINER: In view of the discussion that has taken place I should put on the record the actual figures in regard to the number of returned men who have made applications for farms. The number of applications for qualification certificates on March 31, 1946 was 42,856; the number dealt with by the regional advisory committee was 31,763; the number issued with qualification certificates was 24,590. In relation to the remarks just made towards the end of the speech delivered by the hon. member for Assiniboia, this indicates that 42,856 have applied and only 31,763 have so far been dealt with, and of course that would suggest that about 11,000 could say that their cases have not been considered. As to how long those have been delayed I am not in a position to say.

Mr. McCULLOUGH (Assiniboia): Does the minister mean that their land has been inspected, or does this refer to the first interview?

Mr. GARDINER: This has reference to applications made for qualification certificates. The number dealt with is 31,763 and the number issued with certificates is 24,590, and those are completely qualified to go on farms. The number actually on farms is under 6,000.

Mr. McCULLOUGH (Assiniboia): On what date?

Mr. GARDINER: March 31, 1946.

Mr. CASTLEDEN: That means that 18,000 have qualified, but the arrangements for them to proceed with spring work have not yet been made and the likelihood of their getting on the land is small.

Mr. McCULLOUGH (Assiniboia): That is the important point which I was trying to bring out.

[Mr. McCullough.]

The ACTING CHAIRMAN (Mr. Golding): I would point out to the committee that the discussion is once again getting back to veterans affairs.

Mr. ROSS (Souris): For the sake of the record I would point out that the exact figures for full-time farming as at March 31 were 5,132 according to the returns.

Mr. CASE: I believe I can say what I have to say in the limited time left before six o'clock. I sometimes wonder, when I listen to different speakers, if we are not tending towards too much control. I had a great friend in the late Hon. James Malcolm and I remember one thing he said to me. "The more you interfere with natural laws, the more difficult it will be for government." There is a great deal of truth in that. You do not know where you will end if you start regulating everything.

I wish to direct the committee's attention to something which in my opinion is of current concern and importance. I will read into the record some remarks that have appeared in the Owen Sound Daily *Sun-Times*, on Wednesday, May 8, signed by W. E. Dickin, operator of an abattoir in that city. In this article he is pleading with people for tolerance and understanding with regard to the price of beef, and some of his remarks are important:

> The whole situation is: Can beef be sold at twenty cents per pound ceiling price? My answer is definitely no. We are paying 12 to 12½ cents per pound for cattle that dress 51 pounds to the hundred. The hide and other saleable parts are worth about $10. So any school child can figure out the loss on every bullock. Of course, if you can use common cattle it might be different, but this district demands and largely gets red ribbon beef.

He discusses other prices that are being offered and then says:

> Bringing this to a close, what do we want or expect:
>
> 1. Keep the price of all live stock up and encourage the farmer. He needs it badly.
>
> 2. Compromise, Mr. Gordon and Mr. Gardiner, this once. We can all get together and say: This is our country. If mistakes have been made, let us learn by those mistakes. Again, I say, to one and all, compromise, and quickly.

I am trying to point out the immediate concern we should all have in this matter inasmuch as I believe that the farmers are facing a difficult task. When I listen to the speeches of hon. members and then contemplate the picture painted by the Minister of Agriculture I realize that if we are to encourage people to return to the land the picture will certainly have to be more colourful than the one we are given. We must face facts. In the county of Grey, which is largely an agricultural district, we produce large numbers of live stock. There has been—and I think this is a tragic fact—a

shrinkage of two thousand in the rural population of that county since the last census. That means something. We must endeavour to make agriculture more attractive. In the same issue of the *Sun-Times* of Wednesday, May 8, the following appeared:

Keppel township council, meeting at Oxenden with all members present, instructed clerk Fred Carder to write or wire Donald Gordon demanding that the ceiling price of beef be raised or eliminated and that a copy of this demand be mailed to Hon. John Bracken, Garfield Case, M.P., and Findlay McDonald requesting their assistance.

There is something to justify the removal of the ceiling price from the products of the farm and ranch. You can fix the costs and other details of manufactured products but the farmer has to have some initiative to plant crops. In a moment I shall refer to one of the things that has defeated that objective.

There is another item to which I should like to refer, namely, the position taken by an abattoir with regard to the ceiling price on beef. I hold in my hand a resolution passed by the Keppel township council with reference to the ceiling price on beef. It is taken from the same issue of the *Sun-Times* of Wednesday, May 8, and has to do with the local milk producers. What I am trying to do is to bring before the committee and to the attention of the administration a problem which is of current and immediate concern to agriculturists. This article is headed: "Local milk producers would halt deliveries if price not increased." The resolution is as follows:

Whereas we, the milk producers of Owen Sound district are experiencing increased production costs as never before through increased wages, et cetera and whereas the government has allowed increases to farm machinery manufacturers of 12½ per cent, and whereas daylight saving time in collection of milk has made production more difficult and whereas we know that production costs are higher than ever before while retail price of milk is much lower than at many times in history, be it therefore resolved that all milk producers in this province vigorously protest and demand recognition in the way of increased price and that in the event of increased prices not being forthcoming we recommend that we discontinue supplies until arrangements satisfactory to producers are provided.

I have dealt with two important factors in agricultural operations, namely, the live stock and dairy producers. I come now to a letter which I received from one of my constituents, Mr. Carefoot. I might say that Mr. Carefoot is a well known breeder of short-horn cattle and draught horses and has exhibited his stock in some of the best rings in Canada. This is his story which I wish to convey to the committe so that hon. members will appreciate all the problems to which I have sought to relate my remarks. He says:

We as farmers are certainly getting it rough in the matter of labour. I am nearly sixty years old, have hired men ever since I was sixteen, and this is the worst we ever had. You really cannot get help of any kind.

There are a few novelty farmers who make their money some other way and who can pay $80, $100 per month, get men, but their business from an agriculture standpoint is not paying.

The average farmer throughout the country who is paying for his farm, raising a family and buying equipment is the man we have got to pay attention to, for they are the real backbone of the country.

He goes on to say, and I think this is something that is really tragic when so many people of the world are crying for food:

I could name thirty men in this township who say if they cannot get labour at $50 per month, board and washing, they will simply just live on the farm and let the world go by.

As we know, the trend has been toward governmental paternalism, but it seems to me that it has led to a tendency to rob our people of the incentive to work, to rob them of their initiative.

This afternoon the minister spoke about two fine young Englishmen visiting Winnipeg. I cannot imagine our young men not visualizing the great challenge that this country offers; yet to-day we have young men who are capable of farming but will not do it. At the same time we have men like Mr. Carefoot offering to pay wages as high as $70 to $75 a month but unable to obtain labour. What is happening? About two weeks ago a group of young labour people, who were formerly the young communist group of Canada, interviewed various members of parliament. I had three young people who would be around twenty years of age interview me in my office in the parliament buildings. One young chap was from the farm. He is getting out-of-work pay. I said to him: "Why do you not go back to work on the farm?" He said: "The farm cannot pay me enough." I can say to these young people that while they might get 65 cents or $1 an hour in the cities or towns, the fellow on the farm has less opportunity to spend his money; he is in more healthful employment. I should like to see a great many of these young people return, because we shall live to realize some time that if we cannot make agriculture more attractive, induce our people to return to the land, to the good earth, as the hon. member for Assiniboia said, wages will not be as significant as they are at the present time. In other words, one might earn $1.25 an hour and still starve to death. I wish that labour, the farmers and others would realize that the basic economy of this nation depends upon the purchasing power of the dollar and not on the amount of money that is earned. I believe that agriculture still offers many attractions to young men to engage in that enterprise and feel secure in the days that are to

come. I am glad that the Department of Veterans Affairs is making it as attractive as possible for veterans to engage in that type of work, since they are accustomed to the outdoor life.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

MARIE EVELYN DORMER

Mr. G. RUSSELL BOUCHER (Carleton) moved the second reading of bill No. 37, for the relief of Marie Evelyn Dormer.

Mr. GLEASON BELZILE (Rimouski): Mr. Speaker, last Friday an interesting debate occurred on this very bill. The hon. member for Winnipeg South Centre (Mr. Maybank), speaking on the principle of divorce bills in general, suggested the setting up of some sort of organization or special court to handle the divorce cases which came from the province of Quebec. In support of his proposition he put a few facts before the house, and I say that they are true. But I am afraid that some misapprehension prejudicial to the province of Quebec might result if certain other facts were not placed before the house.

The hon. member said, "There is no general divorce law in the province of Quebec." That is a well known fact. Then the hon. member continued, as reported at page 1190 of *Hansard*:

> It has developed since some time past that whenever adultery is committed in the province of Quebec and the outraged husband or the outraged wife wants to do anything about it, he or she comes to the parliament of Canada and asks the parliament of Canada to pass a special law, among all the other statutes with which it has to deal, giving her relief as it is called, in the event of a female spouse coming forward, from continued association with her adulterous husband.

That statement was also true, but it might be misunderstood or misinterpreted.

It is not a fact that the civil code of the province of Quebec does not provide relief in the case of adultery. On the contrary, the law of Quebec provides for the separation of the consorts; it provides for the settlement of their property; it provides for the custody of the children; it provides for the payment of alimony. It even provides for an ever-possible reconciliation. As a matter of fact, the Quebec legislation has almost the same immediate effect as a divorce bill, the chief difference being, as everybody knows, that neither of the parties legally separated can marry again during the lifetime of his or her consort. That kind of relief the Quebec legislation does not provide.

The immense majority of the population of Quebec on account of its religious belief does not give special consideration to such relief—just sympathy, I should say. The hon. member is very much concerned with his own personal situation as a member of parliament when he says:

> It seems to me, sir, that it is not a proper part of the duties of the parliament of this nation to be continually considering, in the midst of its important business, these trivialities.

He is right again. But in 1867, by the British North America Act, divorce was attributed to the federal jurisdiction because some people believed in it. They insisted on it, and it was so attributed against the opposition of Quebec. It is an historical fact that Quebec refused categorically to accept it, although it was pertaining to civil rights.

The hon. member now finds that he has an ever-growing and almost impossible problem to settle. I really sympathize with him; and all the Quebec members are in the same predicament of dealing with these trivialities.

Respecting his project of the setting up of some extra-territorial organization to deal with divorce, I have no comment to make, except that it will probably come into conflict with every rule of domicile and court jurisdiction extant.

I humbly submit to his consideration that he find himself a practical solution. I would agree with his suggestion that—

> . . . we make some sort of declaration that this sort of petition will not hereafter be entertained, and that petitions of this sort cannot be received by this parliament with any chance of being acted upon.

I would agree with that if it would be of any utility. Personally, I almost feel like washing my hands of the whole business. There is a moral to be drawn from the speech of the hon. member, and it is this: Sometimes, just once in a while, somebody should listen to someone from Quebec.

Mr. J. H. MATTHEWS (Kootenay East): Mr. Speaker, in spite of what the hon. member has said, seeking to justify the position of the people of Quebec, the situation continues to stand in this house as it has done for many years. I support the suggestion made the other evening by the hon. member for Winnipeg South Centre (Mr. Maybank) when he sought to suggest some method of relieving this house of parliament of the onerous duty of dealing with divorce. I am satisfied that if proper attention and thought

were given the matter by the lawmakers of this land, some equitable disposition of the problem could be found. I do not for one moment believe that it is impossible for the House of Commons to arrive at some position which would be satisfactory to all parties.

I for one object again in this session, as I objected in the last, to the time of parliament being wasted by having to handle such business as this. However, I have noticed that several times in the debate the suggestion has been made that these are trivialities. I take strong objection to the use of that word in this connection. I would say they are tragedies of human life; they are not trivialities by any means. I believe that they are real tragedies, but that they should be settled somewhere outside the House of Commons.

Motion agreed to and bill read the second time.

SECOND READING

Bill No. 48, for the relief of Margaret Ruth Weir Allan—Mr. Boucher.

JULIANA EDMONDA ISABELLA FERDINANDA BECQUAERT DE BEAUJEU

Mr. MacLEAN moved the second reading of bill No. 18, for the relief of Juliana Edmonda Isabella Ferdinanda Becquaert de Beaujeu.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I suppose I could have spoken on bill No. 37 instead of waiting until this bill was called, but I only wish to amplify what the hon. member for Kootenay East (Mr. Matthews) has said. This is the same old story. We make an appeal year after year that these bills be handled in some other way. If we were conscientious in passing these bills every hon. member would have to read all the evidence submitted in each case. The only basis of consideration is what has happened and how we can pass a bill if we do not know what it is all about.

We all have stacks of evidence which some of us like to read and which others do not, it being a matter of one's choice. This subject comes up every year and it will have to be brought to a head some time. I am quite certain that this parliament could bring it to a head. More and more of these bills are coming before us each year, and I would not be surprised if before the session ends we have to deal with four or five hundred or perhaps more.

If the members of this house exercised their parliamentary right they could ask that each bill be taken up section by section, for that is the way to pass a bill, and forty or fifty members could speak on each bill. I am not suggesting that such a filibuster take place, but I am quite certain that if it did parliament would have to sit here for many weeks or perhaps many months discussing these bills and then the government would begin to move.

Another way that this matter could be handled would be to take a recorded vote on every one of these bills. Sooner or later the applicants would find that they were paying out a lot of money for nothing. If this parliament would take the bull by the horns, as the fellow said, then these people would say, "What is the use; we pay our money but the bill is either defeated or it dies on the order paper." I am not throwing out any challenge, nor am I going to organize anything along that line, but sooner or later some of us will become a little tired and something like that will be organized.

Mr. E. G. McCULLOUGH (Assiniboia): Mr. Speaker, I should like to support what the hon. member for Kootenay East (Mr. Matthews) and the hon. member for Macleod (Mr. Hansell) have said. To pass these bills without full consideration of the evidence is against my conscience and judgment, so that I am in full support of the two hon. members.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I am not in support of what those hon. gentlemen have said. It is quite easy to say that we should not pass this or should not pass that without making some concrete suggestion as to how to cure the evil. It is quite easy to criticize. As I think I mentioned last year, the history is that we have a place called another place. There has been much criticism of some of the individuals who are there, but I have attended various sessions of that committee and I know that its members go into all these matters very carefully.

Mr. REID: I believe as carefully as a court.

Mr. SMITH (Calgary West): Just as carefully as any court, and I have been in many of them.

Mr. CRUICKSHANK: Why do they not go to the courts?

Mr. SMITH (Calgary West): I think the hon. member knows the answer to that better than I do. The fact is that we are afraid to give the real reason, so we shall just let it go at that. My hon. friend says that he does not want to assent to something without knowing all about it, but all of us in our business and social life accept the word of bodies which have been appointed to do certain jobs. I am not ashamed to accept the judgment of the senate committee, knowing as I do how carefully they go into these matters.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Mr. Speaker, I have just one word to say. I find myself in thorough agreement with the remarks of the hon. member for Calgary West (Mr. Smith). I am also in agreement with the general sentiment of the house that the present procedure as far as divorce bills are concerned is unsatisfactory. Last year we had a committee under Mr. Speaker studying the rules and procedure of the house. The hon. member for Vancouver East (Mr. MacInnis) will recall that committee. In its report the committee recommended that certain action should be taken with reference to the procedure in connection with divorce bills, but unfortunately that report did not find favour with the house and it was never adopted. I would suggest that it might be advantageous for the committee now sitting under the chairmanship of Mr. Speaker to reconsider the whole question of divorce proceedings and make a recommendation which would have the attention of the government of Canada.

Hon. ALPHONSE FOURNIER (Minister of Public Works): Mr. Speaker, for the last sixteen years I have listened to discussions of this kind at nearly every session of parliament. It is not a new problem. Divorce comes under federal jurisdiction; but because one or another of the provinces wanted to set up divorce courts of their own, it was done and at the present time there are divorce courts in eight of the provinces. Quebec is the only province with no such court. Hon. members know why that is so. In principle we are against it. Last year when I spoke on this question, the moment I stepped out of the house one of my friends stopped me and said, "You should not have gone that far. Do not try to impose on Quebec something that they do not wish or do not like or do not believe in because there is a minority in Quebec that will want to have divorces as the years go on." I reminded him that when Ontario proposed to establish a divorce court the Catholics protested, but the law was passed.

I am broad-minded on these matters, but in principle I am against divorce and I am going to do my utmost to try to make the getting of divorces as difficult as possible. A complaint has been made in the other place that there are too many petitions for divorce this year, but if you consider the number of cases coming before the other place and this house you will find that it is only about one-fifth of the cases being brought up in this good province of Ontario. I clipped the following report from one of the Ottawa papers on May 8, knowing that this discussion would come up. This is what it says:

> Ontario divorce figures believed to be record
> Provincial authorities said to-day that Ontario had so many divorces in 1945 that they are rechecking the figures to make sure they are correct. Tentative figures show an all-time high of 1,939 compared with 1,510 in 1944 and 960 in 1940.

I have the utmost respect for those who believe in divorce. I do not believe in it myself. If we believe that the future of our country is based on the family, divorce is not the way to bring about the conditions we desire.

Mr. SMITH (Calgary West): You do not keep families together by refusing divorce.

Mr. FOURNIER (Hull): That is a matter of opinion, and I respect the hon. member's. What gets under my skin is this. Every session some hon. member says that this procedure is not the right one. But if hon. members would go into the divorce courts in the provinces they would see that the evidence is taken in just the same way as it is in the other place, and I believe that in the other place we have men who are as experienced as any judges in hearing these cases and deciding on the evidence. The evidence is prepared and presented in the same way. If some cases are not prepared well, let me say that I can recall cases right in this capital city in connection with which a man was sentenced to seven years in the penitentiary for fixing up the evidence given before the court to obtain a divorce. We may find the same thing here. But it is tiresome to hear hon. members year after year saying that there is one way out of it, namely to give the provinces jurisdiction in divorce.

Mr. CRUICKSHANK: Hear, hear.

Mr. FOURNIER (Hull): My hon. friend says "hear, hear." Then what would take place in my province? There would be no divorce at all.

Mr. CRUICKSHANK: They will move out.

Mr. FOURNIER (Hull): That is as they wish. I am not in favour of giving jurisdiction to the province because there is a minority in the province of Quebec who do believe in divorce. If we give jurisdiction in divorce to the provinces, the provinces that believe in divorce can have their divorce courts; but in the province of Quebec, where they do not believe in divorce, they would have no divorce court and there would be no divorce at all. I do not think we should impose that on the minority in the province of Quebec.

The other suggestion was to have a court in Ottawa, perhaps the exchequer court, with special jurisdiction in divorce cases. There may be something to be said in favour of that, but so long as parliament has jurisdiction in divorce under the British North America Act, why stand up year after year and say that we should not be granting divorce in this way? The province of Quebec is a part of this country. There are over 3,000,000 people in that province. We want harmony; we want unity; we want respect for other people's opinions; but we also request from this parliament respect for what we believe. I think we are right. Many people think we are wrong. But, after all, we are not asking for more than a few hours of the time of parliament where for sixteen years I have listened to nonsense being talked hour after hour. I think this system should remain. I am convinced that it still is the best system. There may be 300 divorce cases from our province. But if you believe in broken homes and in children being separated from their parents—

Mr. CRUICKSHANK: Nobody believes in that.

Mr. FOURNIER (Hull): I am just telling you—

Mr. CRUICKSHANK: You are wrong.

Mr. FOURNIER (Hull): Perhaps I am wrong, but I like to say exactly what we believe in in the province of Quebec. For the last sixteen years I have listened to the same arguments and the same discussion on divorce in this parliament, and now it is narrowed down to the province of Quebec. Always there are the same arguments and the same replies, and what I am saying to-night has been said in this house year after year. The arguments and replies will not change as time goes on. Every new parliament brings in new members who start the same discussion all over again. Why not let us proceed to take an hour once in a while to settle these cases? Your conscience may rest at ease. I have followed these divorce cases for my own satisfaction to see if there was anything in the criticism made against the way in which the inquiry was held in the other place. I have been present at the committee in the other place, and the procedure there is just the same as in the courts. The only argument that might be made here is that we spend too little time in giving our decision on the evidence presented. If you do not wish to read the evidence, you are just taking the recommendation from the other place, and it is not a bad thing at times to base our judgment on what they decide.

I hope I have not said anything that displeases those who do believe in divorce, but I am simply telling the house what I have heard in my own province since I was a boy. I think we should bear with the present system for a while yet.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I think I shall have to agree, like the Minister of Veterans Affairs (Mr. Mackenzie), with the position taken by the hon. member for Calgary West (Mr. Smith) and also with the members on my left.

The Minister of Public Works (Mr. Fournier) said that he has listened to an awful lot of nonsense spoken in this house.

Mr. FOURNIER (Hull): The hon. member has said the same thing himself many times.

Mr. MacINNIS: If what the minister has said to-night is not nonsense, I am afraid that it is very contradictory. We do not say that we believe in divorce any more than we say that we believe in theft or any other kind of misdemeanour that may bring persons into our courts. But we do recognize the necessity for divorce. Among Roman Catholics I understand that marriage is a sacrament which cannot be dissolved, but the hon. member for Rimouski (Mr. Belzile) has told us that the procedure for annulments in Quebec is practically the same as divorce in every way except that the parties cannot remarry.

What I rose to say, however, is this. If divorce is within the jurisdiction of this parliament—and that must be true because we have exercised jurisdiction for many years—it cannot be beyond the power of parliament to find a way of providing divorce courts for the people of Canada, no matter where they live. Every civilized country so far as I know has divorce laws. They have ways by which persons, when they find they cannot live together, can separate. That does not contribute to immorality; it diminishes immorality, and I think that is how we should look at the matter. A broken home does not take place with the divorce; the home was broken before the divorce became necessary.

I suggest that we try to find a way of dealing with this important question, and I say again that this parliament having jurisdiction in the matter can create some other way than by this parliament passing divorce bills.

I was really shocked a week ago to-night to note the flippant way in which this vital

human problem was dealt with in this house. It certainly did not do parliament any credit, the way we discussed this subject last week.

Mr. REID: It was even more than flippant.

Mr. MacINNIS: It was more than flippant.

Mr. REID: It was vulgar.

Mr. MacINNIS: I hope the same thing will never take place in this chamber again.

Hon. H. F. G. BRIDGES (Minister of Fisheries): I am one who in this house usually speaks only when he is spoken to, and I have endeavoured to adopt that as a policy since I came here as a new member last summer. I rise to agree in some respects with the remarks made by the Minister of Public Works (Mr. Fournier). I do so by reason of the fact that I have arrived at that conclusion by another route.

If we look into the history of divorce we shall find that the province of New Brunswick had machinery for divorce from as far back as 1791; in the province of Nova Scotia they also had it, although not quite as far back as that, but they had it prior to confederation. It will be remembered that at the time the fathers of confederation met in Quebec and the Quebec resolutions were adopted, it was agreed by the parties that marriage and divorce should come within the jurisdiction of the federal parliament; and again when the London resolutions were framed it was agreed that marriage and divorce should come within the jurisdiction of the federal parliament. As a result, the British North America Act was enacted, and since that date marriage and divorce has been under the jurisdiction of the federal parliament. We quite realize that in Canada we have different races, different religions, and different nationalities. The church to which the Minister of Public Works belongs happens to be the Roman Catholic church, and for them marriage is one of the seven sacraments. The church to which I belong happens to be the Anglican church, or Church of England, and although marriage is not regarded as a sacrament, divorced couples are not allowed to be remarried by the Church of England in Canada.

It may seem strange that a bachelor should rush in and make some comments on the question of divorce. But my reason for speaking this evening is to say that I have followed these discussions both before I was in the House of Commons and since, and so far as I can see at the present time there is no way that you can get around the present system. I am sure there is no desire on the part of anyone to impose upon the province of Quebec a court which the majority of the people in that province do not want. At the same time it should be remembered that from the days of confederation in 1867 marriage and divorce have been within the jurisdiction of the federal parliament, and if you will look in your statutes for the year 1868 you will find that the first divorce case came before the Senate and the House of Commons at that time; it was reserved for the Queen's pleasure; it was sent to England; and finally the act divorcing the couple, who were from the city of Montreal, was affirmed.

Mr. SMITH (Calgary West): Would the minister permit a question?

Mr. BRIDGES: Certainly.

Mr. SMITH (Calgary West): That was thought to be true, was it not, down to the case of Beck versus Beck, which went to the privy council and in which it was decided that divorce was within the jurisdiction of the provinces? The minister will remember that the case came from Alberta; it is one of the things we are proud of!

Mr. BRIDGES: I think it came later. But what I wish to point out at this time is that the very first case which came before the Senate and the House of Commons, in 1868, came from the province of Quebec. So we see that since confederation there have been certain persons in that province who desire the right of divorce. Here is the situation: the majority there are definitely opposed to it; the minority, on the other hand, have had that right ever since 1867, and the first case was heard in 1868. From that date on I believe you will find if you check the figures that there was one case each year; then the number gradually increased to ten; and now you all know that the figure this year is 330 or thereabouts.

At the present time we have that situation. We have this committee of the senate dealing with these divorce bills. I have had some experience in divorce courts and, looking over the proceedings as I have seen them carried on here, I feel that the work done by that senate committee is just as careful as it is done in many of our courts.

One of the speakers last week remarked that in many cases there was collusion. That is quite possible, and I do not say that it is not so, but it is also quite possible that there is collusion in many cases which come before the courts of the various provinces.

Therefore as I say, the situation is that the majority of people in the province of Quebec do not wish divorce; a minority in that province have had the right ever since 1867 to come to this parliament for divorces. I am sure there is no desire on the part of anyone in this

house to do away with the rights of that minority group, and I can only say that the situation as far as I can see must remain as it is at the present time.

Mr. JOHNSTON: The minister says there are no divorces in the province of Quebec. But there have been a number of annulments. What is the difference between annulment and divorce?

Mr. BRIDGES: I would suggest that the hon. member consult a lawyer from the province of Quebec.

Mr. CRUICKSHANK: They want to come here and not to the lawyers.

Mr. M. J. COLDWELL (Rosetown-Biggar): I have several times taken part in discussions of divorce procedure in this house, and I had no intention of taking part in the discussion to-night, but the trend of the debate has more or less compelled me to rise and say that I want to support those who believe that we should find a method different from the one which is now adopted for the consideration of divorces. I think that this is a matter for a court rather than a parliament of this description or the hon. gentlemen who occupy the other place. I think that a judicial body can look into the applications more carefully than they can be looked into at least by this house; and, after all, you and I as members of this house have to take the responsibility for the dissolution of these marriages. That, I suggest, is one of the gravest responsibilities which we have to assume, and one which we ought not to assume unless we know upon what grounds the petitioners request divorce and warrant us to grant the divorce. I doubt very much if there is more than a very small minority in this house who read the proceedings upon which the applications are based and upon which we have to vote.

Like the Minister of Fisheries (Mr. Bridges) who just preceded me, I happen to be a member of the Anglican communion. While it is true that the church to which we belong does not believe in divorce, in the last few years there has been a liberalizing of the views regarding divorce until to-day in Great Britain the Anglican church will remarry the innocent party in a divorce case.

Mr. BRIDGES: Not in Canada.

Mr. COLDWELL: That, I think, is something which might be remembered in this house. But what I was going to say is this, that with the large number of unhappy marriages, my personal view is that it is the greater crime to keep two people tied together living in what has often been described as a hell, than it is to dissolve that marriage. I think it is worse for the children who are brought up in such a home than it is to allow those children to be looked after by, we will say, the innocent party, upon direction of a judge in a proper court of law where all the evidence has been submitted and reviewed. I think, too, that to keep a man or woman tied indefinitely to a chronic alcoholic is to make life a hell, and that cannot lead to a higher morality in any country. I believe that where there is venereal disease on one side it is again a hell to keep the innocent party tied in such circumstances.

To-day we are at the conclusion of a great war, and I remember what a padre told some of us—I believe the Minister of Public Works was one of the party—who rode with us from Glasgow to Edinburgh, of the condition which he found in 1941 among a percentage, small it is true but still a percentage, of the men overseas. He told us on that occasion that when the war ended we would be faced with a problem. Well, this parliament is faced with a problem and we are not doing anything in particular to cope with it.

Those of us who know something about the conditions to which some of the men who served overseas have returned realize that this parliament is faced with a problem. It is true my hon. friends in the province of Quebec who belong to the Roman Catholic church believe that under no circumstances should divorce be permitted, and I agree that so long as they are members of their church they should abide by its discipline. I am not complaining of their view because of their religion. I am suggesting to them, however, that there is in the province of Quebec a minority which does not accept that doctrine, and I believe that the rights of minorities should in all respects be recognized and protected, just as we wish to protect the legitimate rights of our Roman Catholic compatriots in the province of Quebec and elsewhere.

I suggest to my hon. friends also that the minority in that province have a right to have their views considered. No one is compelled to sue for divorce, but where individuals believe that divorce is warranted and it does not conflict with their consciences, surely that minority has a right to the exercise of a conscientious conviction in respect of the relief to which it believes it is entitled.

If the province of Quebec does not—and I do not think it will—establish a court of itself, as the other provinces have done, to which these cases may be referred, then I suggest, since we were asked a few minutes ago what the solution is to be, that there

should be a federal court to which applications could be made, to which a minority could go if the majority in that province does not believe that its conscientious objections would permit it to establish a provincial divorce court.

I wish to plead with my hon. friends from the province of Quebec to look at the matter in the light in which I am trying to view it, not as a believer in divorce but as one who believes that a suffering minority in any province should have the right to divorce if it feels the need of it and if divorce does not violate its own convictions.

I suggest, therefore, that what should be considered is the establishment of a court or the naming of a court already established. I do not know whether that is possible. I have heard it suggested from time to time that once of the courts, such as the exchequer court, might be given jurisdiction in these matters. I do not know what court it should be; but if we have not a court that could give speedy and proper consideration to these matters, then I think it is incumbent upon parliament to see to it that people who are tied together to-day in what is sometimes a living hell are given a proper opportunity for relief from the position in which they find themselves.

Motion agreed to and bill read the second time.

CANADIAN WHEAT BOARD ACT

COMMISSIONS TO AGENTS IN CONNECTION WITH SALE OF WHEAT

The house resumed from Tuesday, May 7, consideration of the motion of Mr. Fair for the second reading of bill No. 5 to amend the Canadian Wheat Board Act, 1935.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): We have had considerable discussion on the bill introduced by the hon. member for Battle River (Mr. Fair) and I do not think he has left any doubt in our minds as to his object in its introduction. But I am sure, speaking as a layman and from legal opinion that I have personally sought, that the bill goes much farther than the hon. gentleman intends.

I do not believe that the bill in this form should pass. Although there has been considerable discussion of it, I submit that before we allow it to pass certain aspects of the situation should be discussed at length. I am ready, Mr. Speaker, to make a statement on the bill pointing out where in my opinion it will destroy necessary marketing agencies of the Canadian wheat board in western Canada, and I am quite satisfied that the hon. member for Battle River would be equally opposed to that happening.

I cannot possibly say before nine o'clock what I should like to say on this bill. If I did begin it would be merely a matter of my partly finishing what I have to say and the hour for private and public bills would have expired. However, I am prepared to offer a suggestion. I have not heard anything like this said before, but it seems reasonable to me, and I am not speaking as a lawyer. I would suggest having this bill referred for further consideration to the committee on agriculture if that were acceptable to the other parties in the house and to members on this side, and to that end I would be quite prepared to curtail discussion here and before that committee make the speech which I wish to give in the house. I know that I cannot take a poll of everyone in the house to see whether or not—

Mr. BRACKEN: I would suggest that the minister make his speech here and we will decide whether to send it to the agriculture committee or not.

Mr. MacKINNON: I thought I made it clear to the leader of the opposition that I have only seven or eight minutes to make a speech that will take me fifteen or twenty minutes.

Mr. BRACKEN: I would be agreeable to giving another day to it.

Mr. MacKINNON: May we call it nine o'clock, Mr. Speaker? I move the adjournment of the debate.

Mr. BRACKEN: May I ask the leader of the government when we shall return to this subject?

Mr. MACKENZIE: Next Tuesday evening.

Mr. BRACKEN: I do not want to be responsible for allowing this subject to be talked out.

Mr. MacKINNON: I have moved the adjournment of the debate.

Mr. FAIR: I am sorry, but I shall not be able to be here Tuesday evening. I do not want this matter to be taken up until I have an opportunity of expressing my views.

Mr. MACKENZIE: We shall accommodate you.

Motion agreed to and debate adjourned.

SUPPLY

The house again in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $163,190.

Mr. CHARLTON: I am sorry the Minister of Agriculture is not in his seat at the moment. It was encouraging this afternoon to listen to the minister's remarks regarding agriculture. However, I find it difficult to understand the position taken by other members of the government with respect to that department. During the past six years farmers across Canada have made a magnificent contribution to the war effort. The war is now over. Demands are being continuously made by various groups for price increases, and those increases are being granted with the result that production costs of farmers have increased considerably; yet with two exceptions no change has been made by the government to help the farmer. The exceptions are butter and hog prices. These are the only two exceptions in the face of these terrifically rising costs. It would appear that this government has forgotten the promises it made prior to the last election when we as farmers were led to believe we were rather important people.

I hold in my hand some interesting figures which were taken from the estimates for 1946-47 and 1938-39. They reveal the probable trend of thought on the part of the government in relation to agriculture. As I say, these figures are taken from the estimates. They show the amount of estimate for each department, the increase in each department, the percentage of increase, then the amount of the estimate in that particular department in 1938-39, prior to the war, with the exception of eight departments, which I shall name. By the way, with the permission of the committee I should like to place this table on *Hansard.*

The ACTING CHAIRMAN (Mr. Golding): Has the hon. member the unanimous consent of the committee to place the table on *Hansard?*

Some hon. MEMBERS: Yes.

Mr. CHARLTON: The table is as follows:

ESTIMATES 1946-47

Department	Total	Increase	%	1938-39
Agriculture	$ 19,429,713 00	$ 2,213,744 00	11·4	$ 9,160,532 35
Auditor General	472,656 00	49,501 00	10·4	476,405 00
Civil Service	558,950 00	63,180 00	11·3	376,795 00
External Affairs	4,322,955 00	751,482 00	17·3	1,047,435 00
Finance	593,066,563 51	93,557,460 06	15·7	189,757,628 39
Justice	7,218,516 09	365,383 67	5·0	5,566,888 31
Labour	23,015,044 00	564,332 34	2·4	863,331 00
Legislation	3,486,448 00	747,778 00	21·4	2,433,580 00
Mines and Resources	18,827,400 00	4,856,623 00	25·7	14,251,850 89
National Defence	104,793 40	4,597 98	4·3	34,034,364 42
National Health and Welfare	295,653,586 00	63,221,407 73	21·3	56,689,653 00
National Revenue	26,061,527 00	2,758,866 00	10·3	12,356,389 00
Public Works	36,006,747 00	14,710,826 00	40·8	12,997,625 88
Post Office	60,455,057 00	156,607 00	·2	35,941,334 65
Prime Minister's Office	95,073 00	27,193 00	29·6	62,405 00
Privy Council Office	647,002 00	223,725 00	34·5	54,115 00
Public Printing and Stationery	204,569 00	4,182 00	2·0	168,360 00
Insurance	209,445 00	8,690 00	4·1	794,490 00
Government owned Enterprises	1,902,635 00	341,510 00	12·6	2,986,756 94
Loans and Investments	72,490,700 00	16,400,700 00	22·7	1,177,500 00
Royal Canadian Mounted Police	11,739,269 00	3,895,216 00	33·1	6,273,073 06
Governor General and Lieut. Governors	238,612 66	5,300 00	2·2	232,391 66
Secretary of State	1,125,810 00	128,580 00	11·4	755,410 00
Trade and Commerce	11,768,294 00	3,174,393 00	26·9	8,443,625 82
Transport	29,751,195 00	4,370,219 93	14·6	20,829,214 75
Veterans Affairs	95,819,937 00	13,039,949 00	13·6	
Fisheries	4,079,660 00	229,360 00		1,957,840 00

The only departments that show a smaller percentage of increase than the Department of Agriculture are the auditor general's department, the labour department—I might say in regard to labour that in 1938-39 the estimates were $863,331; this year they are $23,015,044; because of that terrific increase betwen 1938-39 and 1946 one would not expect a large increase in this particular year—the Department of National Defence, the Post Office Department, public printing and stationery, insurance and the governor-general and lieutenant governors.

With these exceptions the increase in the Department of Agriculture is less than any other department of government.

Most people across Canada realize the importance of agriculture, and most people expected an increase in the expenditures of the Department of Agriculture. But if we are ever to come to the point where we shall have balanced budgets in this dominion we must save somewhere. With the terrific increases in other branches of government to as high as 44·8 per cent in some cases, while in agriculture the increase is only 11·4 per cent, it does not seem that agriculture is getting its fair proportion when one considers its importance. Agriculture has always taken a back seat, and it appears from these figures that it will continue to do so. I wish the minister success in convincing other members of the government of the importance of agriculture to this country.

Most hon. members will have some idea of the present butter situation because of having had to do without it for some time in the House of Commons restaurant. The reason for the scarcity is quite obvious to me if not to other members. The price of milk for butter and cheese production in the United States is practically double that which is paid here. The United States buyers, therefore, can well afford to pay the high prices they are paying for dairy cattle. This price range is so high that it is almost impossible for a man to refuse it. Just last week a United States buyer paid as high as $185 for a grade first-calf heifer. Is it any wonder then that the number of dairy cattle exported to the United States up to May 2 of this year was 16,332, while the total in 1945 was only 11,452? If this government would allow a reasonable increase in the price of dairy products, thereby enabling the farmer to make a reasonable profit for the extra work involved in dairying, the sales of these cattle to the United States would shortly show an appreciable decrease.

Yesterday the minister mentioned an increase in milk production. Yes, there has been an increase in milk production, but not anywhere near the proportion that the consumption of whole milk has risen. I could name a number of instances in my own riding where large producers were forced out of milk production because of lack of labour. Then, again, I could cite dozens of cases where men who previously had sent milk to concentrated milk plants, powdered milk plants, and cream to creameries have now, with this huge increase in the consumption of whole milk, the opportunity for which they have been waiting for years, that of getting into the whole milk trade. That is happening all across Canada. It is not only happening in my own riding. It is a general condition, and I contend that that is the reason for the decrease in the production of butter, which is obvious from the figures the minister showed us yesterday with respect to Ontario, particularly. In 1939 the production of butter in Ontario was 88 million pounds. That was the high year. In 1945 it was reduced to 77 million, a difference of 11 million pounds.

We all realize that Ontario is the most highly industrialized province in the dominion, and we would expect the consumption of whole milk to go up there more than it has in other provinces. I might say that that increase has been quite a bit better than 50 per cent in Ontario. So that we would naturally expect that that milk had to be stolen from some other branch of the industry. The fact that creamery patrons have taken much less for milk separated and going to creameries is an obvious indication of where it would be lost. I contend it is impossible to control prices and stop inflation during an obvious scarcity. There are always people who want the article badly enough that they will gladly go out and pay black-market prices. They will continue to do so, so long as any product is in short supply, notwithstanding the fact that many officials of the department at Ottawa claim that there is very little black-marketing in Canada.

Take beef cattle, for instance. Reported marketings thus far this year are 52,839 head short of the same period in 1945. The minister would not suggest that beef cattle production has gone down that much. Where are those cattle? The very fact that retail butchers are paying higher than ceiling prices for beef carcasses, and still making a reasonable profit—or they would not be doing it—leads one to the belief, as was stated by the minister at page 1246 of *Hansard* that "by having the price levels determined by competition" is the proper method of correcting the situation. Another method is by removing restrictions on butchers killing their own beef and pork, commonly known as the quota system, and thereby releasing the strangle-hold which the large packers have on the industry.

Under present price controls I understand the retail butchers get a little better than $40 spread on a 600-pound carcass of beef. I leave it to the judgment of hon. members to say whether that is a fair spread or not. I contend that the price to the retailer could go up two cents, without increasing it to the consumer.

It would appear that most of the terrific spread between producer and consumer prices

is caused by the consumer demand for service. I maintain that it is very unfair for all consumers across this country to have to pay for the service that a few expect. If certain consumers demand these extra services, why should they not pay for it themselves, without making a blanket charge to all?

This brings to my mind two striking examples. Two years ago I happened to be in a hardware store in the city of Brantford talking to the manager, when a lady telephoned in for an eleven-cent pane of glass. The manager later told me that she lived almost two miles from the store, but she wanted it delivered immediately. I think all hon. members will realize that the cost of delivery would be two or three times the cost of the glass.

Something similar occurred when I was visiting at an apartment house in Toronto. About ten-thirty or eleven o'clock at night the people I was visiting wanted to buy a brick of icecream. They telephoned the drug-store, and that 25-cent article was delivered—I do not know how far. But somebody has to pay those delivery costs. It is not always the consumer who pays it; most often it slaps right back in the face of the producer.

We had an instance recently of what we may expect when subsidies are removed. I have in mind specifically the canning crops. Subsidies have been removed on these crops, and price increases allowed the canning industry in lieu of payment of subsidies. The price increases allowed the canning industry were as follows:

	Per dozen cans cents
Peas, 20-ounce can (all grades)	11
Corn, 20-ounce can (all grades)	15
Corn, 14-ounce (vacuum-packed, whole kernel)	15
Tomatoes, 28 ounces (all grades)	32
Tomato juice, 20 ounces (all grades)	9½

True, as I said before, the canners are supposed to pay the same price to the producer as was paid last year, including the subsidy. But are they compelled to? I do not believe they are. That is left to the discretion of the farmer, as to what he can get for his product. In any event the farmer is not getting any more than he did last year. The consumer, however, will be asked to pay at least two cents per can and probably up to five cents or even six cents per can increase on some products.

If this is any indication of what the farmers can expect, when these subsidies are taken off other products, then one can hardly blame the dairy farmers for accepting the high prices which they are receiving for dairy cattle to-day. Unless some drastic action is taken very shortly, it is probable that production will drop to a point which will seriously reduce our exports to the United Kingdom.

Mr. GARDINER: I should like to answer a few of the questions raised by the hon. member who has just taken his seat. I was not at all surprised by the line of argument presented in the earlier part of his speech, in view of the fact that my hon. friend has not always advocated the policies he is now advocating.

The situation which has existed in connection with agriculture estimates is one which is very well understood by most hon. members. The suggestion was made that the present government, and more particularly the present minister, is to be criticized for not obtaining a larger proportion of the treasury funds for expenditure upon agriculture. I should like to refer the hon. member to the records of the past. During the period the Liberal government was in office between 1921 and 1929-30 there was a constant increase in expenditures upon agriculture until the provisions made in the last year the Liberals were in office were for the highest expenditures upon agriculture that we had had up to that particular time.

In 1932-33 the estimates for agriculture were reduced from a previous $11,000,000, to which amount they had been built up under a Liberal government, to $8,660,000. The next year they were reduced to $8,203,000, and the next year they were reduced to $7,395,000. I took over the department in 1935-36, and by 1936-37 the estimates had been increased to $15,553,000, or double what they had been in the last complete year that the preceding government had been in office.

I was invited to Toronto during the third year that I had had the privilege of administering the affairs of this department and I was met with a full page in the Toronto *Globe and Mail*. I have just forgotten the heading that they used to run at the top of that page, but at the bottom was a coupon which could be cut off and sent to the government at their suggestion without any expense to the treasury because it was considered to be government business. We were getting those on our desks in the House of Commons at the expense of the Post Office Department. The protest they made on that occasion was that I had provided for the enormous expenditure of $20,000,000 on agriculture. That criticism was carried on by the opposing party of that time right down to the day that war opened. This year the comparable expenditure with 1936-37 is over $17,000,000.

Mr. CHARLTON: Why was there the terrific drop from 1936, when I believe it was $15,000,000 to $9,160,000 in 1938-39?

Mr. GARDINER: This afternoon I explained why there had been some decrease in expenditures during the war period. I can tell my hon. friend that no other government in the history of the dominion has expended anything approaching one-tenth of the money that has been spent by this government in recent years in order to maintain agriculture in the position in which it is at the present time among the industries of this country. As a matter of fact, at the height of mutual aid, in order to increase the returns to the farmers we were paying $520,000,000 in connection with purchases in Canada. If we were to take the amounts paid in connection with the subsidies my hon. friend has been speaking about we would find that they run into hundreds of millions.

Mr. CHARLTON: Is the minister suggesting that these subsidies which are paid directly to the farmers are for the benefit of the farmers alone?

Mr. GARDINER: Producers' subsidies are paid directly to the farmers, or they are paid through the creameries and other distributors.

Mr. CHARLTON: They are paid directly to the farmer.

Mr. GARDINER: They are paid directly to the farmer to increase the return he would receive for the food which he produces.

Mr. CHARLTON: The reason was to keep down the cost of living.

Mr. GARDINER: It might be partly to keep down the cost of living, but it was largely to give the farmer a higher return than he would have obtained for his surplus products from any country in the world.

Mr. CHARLTON: Without increasing the cost of living.

Mr. GARDINER: Subsidies do not keep down the cost of living because they require the people to pay higher taxes. When you pay higher taxes your cost of living goes up. Subsidies did not keep down the cost of living of people generally. The purpose of the subsidies was to provide the farmer with more money for the food that went to Britain than Britain could afford to pay.

Mr. CHARLTON: And to keep up production.

Mr. GARDINER: Naturally it kept up production. But if we had employed the same number of farmers on our farms, if we had had the kind of weather that we did have, we would have had the same production. If subsidies had not been available the farmers would have had to take a lower return. I do not think hon. friends opposite should be criticizing this policy because one of the last acts of the Conservative government before they went out of office in 1935 was to pay a subsidy on cheese of, I believe, a cent and a quarter a pound. In principle that was exactly the same thing that this government has done, although this government has gone farther in that direction than any other government we have ever had. The result is that expenditures made upon agriculture are much higher than anything that has been made in the past. It has just been pointed out to me that the hon. member asked why the figure had dropped to $8,900,000 in 1942-43.

Mr. CHARLTON: No, to $9,160,000 in 1938-39. That was prior to the war.

Mr. GARDINER: I think my hon. friend has obtained a figure which is not comparable with those given. The total expenditure in the following year was $11,816,000.

Mr. CHARLTON: I took my figure from the estimates of 1938-39 and I do not think I made a mistake in copying them.

Mr. GARDINER: Then something has been left out, either the supplementary estimates or the statutory expenditures. I can get the year's figures. In any event I question if there was a drop of that kind in that year, but there was a drop in 1942-43 to the figure which I gave.

The point I rose to make was that this government has expended more money on agriculture than any other government that has ever been in power in Canada. During the periods that a Liberal government has been in power the agriculture estimates have gone up year by year, but each time we have had a Conservative government in power in recent times these expenditures have gone down year by year.

Mr. FERGUSON: With better results.

Mr. GARDINER: The results are better because the people elected a Liberal government.

Mr. CHARLTON: The only time that any other government has been in power in this country in the last twenty years was from 1930 to 1935, when we were experiencing the worst depression the world had ever known. The minister would not expect expenditures to be increased during that period.

Mr. GARDINER: I would have thought that when agriculture was suffering its worst depression was the very time for the government to spend more money on agriculture.

Mr. BLACKMORE: Mr. Chairman, first of all, may I say that I have found the discussions that we have had on agriculture on several occasions here very interesting. I wish to commend the minister for the amount of money which has been spent in subsidies which have kept up prices to producers in agriculture and enabled farm income to be held at a much more satisfactory level than it would have been possible to hold it without subsidies. I have heard several members in different parts of the house during this session say that the principle of subsidy was unsound. I do not believe that. I believe that the government is on the right track, and before we are finished I believe that we shall find far more money being spent on subsidies, that we shall be employing the principle of subsidy in a far greater degree than perhaps the members of the house could now contemplate with calmness.

The only thing that the members in this group would criticize with regard to subsidies is the way in which the government would propose to get the money with which to give the subsidies. This group would maintain that the standard of living of the people of Canada throughout Canada, agricultural, industrial and all other workers, ought to depend upon the capacity of this country to produce and deliver goods and services, and upon nothing else. Money should be the handmaid of production. Production should not be the slave or servant of money.

Such having been said in a general way, I wish to point out to the minister three things which have occurred in 1946 affecting his department, which I believe are not in the best interests of agriculture and not in the best interests of this country. These matters have all been mentioned before; I wish to express my opinion on them now. I do not wish to accuse the minister of being to blame for them.

The three things I have in mind are, first, the 12½ per cent increase in the price of agricultural machinery; second, the increase in the price of gasoline, and third, the unsatisfactory manipulation of beef prices during the last several weeks. The minister and I have had discussions at various times in the past regarding the beef policy. I am not quite sure whether the minister was the author or the victim of that policy, but I have a strong suspicion that he was the victim, just as the beef producers were. Those three things are, I think, altogether undesirable for Canadian agriculture and will have repercussions that members of the house will, I believe, be sorry to learn of in the days to come. They should be offset.

How inadvisable was the increase in the price of agricultural implements to the farmer we may judge by contemplating the following list of average retail prices and index numbers on an eight-foot grain binder in the Regina area between 1913 and 1945. A number of hon. members have placed on the record lists of these prices, but this list contains additional material of real interest to the members and something that has not yet been put before the committee. The list was prepared by the dominion bureau of statistics, prices branch, and was sent to me by Mr. H. T. Greenway, chief of the prices branch, in a letter dated May 8, 1946. The list follows:

Dominion Bureau of Statistics, Prices Branch.

Average retail prices and index numbers of an eight-foot grain binder, Regina area, 1913 to 1945.

Year	Price	Index
1913	$194 (a)	100

May I interpose this remark, that the index number is something new, something different from what I have seen in these price lists. This index helps one to get a more comprehensive and consistent picture of the whole progress of prices of agricultural implements. We start then with 1913, when the price was $194 and the index 100. In 1923—the bureau of statistics advised me that they did not have the figures for the intervening years—the price had risen to $288 and the index was 148·5.

The figures for the following years were:

Year	Price	Index
1924	$313 00 (a)	161·3
1925	287 50 (a)	148·2

The price was beginning to go down:

Year	Price	Index
1926	$287 50 (a)	148·2
1927	287 50 (a)	148·2
1928	287 50 (a)	148·2
1929	287 50 (a)	148·2

During those years the index and the price remained the same. Then came a further drop:

Year	Price	Index
1930	$283 00 (a)	145·9
1931	283 00 (a)	145·9

Then there was a further fall:

Year	Price	Index
1932	$278 00 (a)	143·3
1933	266 50 (a)	137·4
1934	266 50 (a)	137·4
1935	266 50 (a)	137·4
1936	284 50 (a)	

At this time there was a change in the kind of binder and we come to a different way of computing the figures:

Year	Price	Index
1936	$291 50 (b)	146·6
1937	291 50 (b)	146·6
1938	311 75 (b)	
	313 50 (c)	156·8

There were two figures given for 1938; I will explain why later.

Year	Price	Index
1939	$320 75 (c)	160·5
1940	336 25 (c)	168·2
1941	336 25 (c)	168·2
1942	352 00 (c)	176·1
1943	352 00 (c)	176·1
1944	352 00 (c)	176·1
1945	352 00 (c)	176·1

(a) One October pay.
(b) New type binder—one October pay.
(c) New type binder—alemited, oil bath—cash price.

This addition of 12½ per cent in the price of the agricultural implement to the farmer takes place on top of the $352. This means that there is an added price of $44 to that binder, raising its total price to $396. I have not computed the index number, but the price, $396, as compared with $194 in 1930 is a matter which I believe is very serious, and I am sure the minister feels that way too.

I am not entering into any argument as to whether or not the price of agricultural implements should have been raised. I am not competent to enter into that discussion because I do not know the costs of the machine companies. Until I do know those costs and the difficulties which the companies face I am not competent to pronounce on this matter. But I believe I am competent to pronounce on this proposition: that that additional cost should not have been paid by the farmer. If it had to be paid it should have been paid by another subsidy, an extension of the principle which the minister, I think, will be accorded honour in history for having introduced and expanded to so great an extent.

I am going to put some more details on the record which will explain this price series which I do not think the committee ought to be troubled with. But I think the committee would like to hear the letter which accompanied this set of figures:

Dominion Bureau of Statistics
Prices Branch

Ottawa, Canada,
May 8, 1946.

Dear Sir:

In compliance with your telephone request, we have prepared the enclosed statement of retail prices and corresponding price index numbers of an 8-foot grain binder, covering the years from 1913-1945 inclusive. I regret, however, that we do not have a year-by-year record from 1914 to 1922.

You will note that it has been necessary to use three sets of prices during this period—

These prices will be indicated by alphabetical letter in the record.

—due to changes in the construction of binders being marketed. The price index numbers, however, give a fair indication of the increase which has occurred, because in each case where a change in the type of binder has been introduced we have been able to obtain overlapping quotations for old and new types of binders involved in this comparison.

Yours very truly,
H. F. Greenway,
Chief of the Prices Branch.

The thing which aggravates the inadvisability of implement price increases to farmers at the present time is the increase in many other costs that the farmers have to pay. Prices of other commodities have risen. The Searle index compiled and issued by the Searle Grain Company of Winnipeg as given in the April 17th number of the Searle letter informs us that the prices of 147 articles which western farmers buy have risen from 100 in 1914 to 159·8 on April 17, 1946. I think the members of this committee ought to contemplate those rises with deep apprehension and the greatest concern. They help to indicate why the condition of our farming population, in spite of all the efforts of the minister—and they are commendable—is not happy in many, many cases, and why it is that, in spite of the war in which prices have been high, the minister actually reported this year that the average income of farmers throughout Canada was $2,000. Those increases of price must somehow or other be controlled. I suggest to the members of the Progressive Conservative party, the C.C.F., and the Liberal party who are here listening that it is extremely important that we try to determine a way to deal with these increases in price. Our C.C.F. friends have one answer, and Social Crediters have an answer which probably is different from theirs. But I submit that these changes in prices could hardly have been prevented by government ownership of industry

An hon. MEMBER: Explain.

Mr. BLACKMORE: I am suggesting it. I am not going into great detail. When the time comes I will go into plenty of detail; to-night, I believe it would probably not be in order to do so.

Mr. ZAPLITNY: We have plenty of time.

Mr. BLACKMORE: My hon. friends will get all the explanations they want if they will just wait. But let me leave with the committee the thought that one of the serious problems facing this country is how to overcome the adverse effects of this gradual rise in the prices of things like picks and doubletrees and shovels and gloves and boots and other commodities constituting the 147 items which western farmers must buy.

Mr. GARDINER: Shirts and pants.

Mr. MacNICOL: Far more than that.

Mr. GARDINER: You have forgotten Mr. Ashby's shirts and pants.

Mr. BLACKMORE: Before leaving this matter let me say it is well to remember that the increase in the price of those 147 items since the outbreak of war in September, 1939, has been 22 per cent. There is no doubt that the farmer has been a victim of inflation.

May I turn for a moment or two to the prices affecting beef. Our whole structure of prices as it affects beef ought to be reviewed and revised most carefully. Once more, I am not imputing any of the blame for these prices to the minister, and perhaps those administering those prices have done the best they could. But it is my duty as member of parliament for my constituency to tell the committee what the effect has been upon beef production in my riding. The prices on beef during the years 1942 to 1945 inclusive have not been conducive to the maximum beef production in Canada. In 1942 the prices destroyed the confidence of producers in my constituency. I do not believe that confidence has ever been thoroughly restored, and what happened in the last six weeks has given another serious blow to confidence in the production of beef. In fact, beef prices in 1946 would appear to be a deterrent to full and confident participation by feeders in beef production in the future. Between 11,000 and 12,000 beef are estimated to be in my constituency ready to be marketed by the middle of June. If the men who are feeding those beef between now and the marketing of beef in the middle of June lose money on the beef, there will be many a plate in Canade next year without a beef steak which would have been supplied with one had prices been more wisely managed.

It must be understood that when men put money into beef in the fall and then put good money into feed of various kinds, and devote long hours of hard work coupled with great anxiety in the production of beef, and then because of price manipulation are forced into a loss where they had counted on a gain, they will react just as members of this house would. Their attitude will be, once bitten, twice shy.

I have in my hand a letter from a prominent beef feeder in my constituency, dated April 17, 1946, Lethbridge. From that letter I will read one short paragraph:

> The fact is that feedlot cattle cannot be produced at present ceiling prices. To discount this fact or the importance of the feedlot in the production of meat tonnage is unjust and is wilfully or ignorantly out of accord with the facts.

Those are pretty strong words and they come from a well-informed man who has great experience and who to-day is finishing in the neighbourhood of from 5,000 to 7,000 cattle.

So much for the objections or criticisms I have to offer. I wish to protest against the increase in agricultural machinery prices to be paid by the farmer. I wish to protest against the increase in gasoline prices. I wish to protest against the undependable manipulation of beef prices. I am not prepared to enter into the matter of determining scientifically exactly what is wrong at the present time, but something is wrong and it must be made right.

What can be done in the future? I believe hon. members have put their finger on the difficulties. It is easy to say what is to be done; the problem is how to do it. In the first place, prices must be made equitable in agriculture. In the west we are using very commonly among the farmers the expression "parity prices." No one has ever defined "parity prices" with complete satisfaction, but generally the idea is quite clear that the farmer should be able to get enough from his production to enable him to buy a fair amount of the produce of other people who produce goods for him.

That principle must be discovered and must be applied throughout the country. There must be parity prices as between agricultural products and the goods which farmers buy. Then there must be stability of prices. It must be obvious to anyone that when the price of potatoes, let us say, is likely to be down to 35 cents a hundred one year and up to $1.25 in the next year and down again to 80 cents, no one can possibly participate with confidence in the production of potatoes. And potatoes would be only one of the commodities.

Surely, if agricultural implement manufacturers can have a stable price for their product over a series of years, the farmer should be able to have a stable price for what he produces. This principle of stability must be established and maintained. The government has gone a long way in the endavour to establish that, and it is worthy of commendation for it. But much more must still be done, and I am sure the minister does not disagree with that. His problem would be the very question I have raised: how to do it, how to get the money to do it.

There is another matter that must be established and that is dependability of markets. If I am in the potato business and I propose to raise five acres one year and I can sell all my product and the next year I find I can sell the product of only one acre when I have raised five, obviously I am in a pretty precarious position. My father used to say to me when I was a boy, "Son, if I could be sure of selling my potatoes at fifty

cents a hundred I would raise ten acres every year and I would feel quite secure." I do not suppose fifty cents would be sufficient now. That was back in the nineties and the early years of this century. The trouble was that some years you could not sell your potatoes; some years you could not even give them away.

We must establish stability of market. The question will be raised: How can you do that? There are two ways in which it can be done and our generation has pretty well indicated to us how it can be done. The first is this. We must see to it that the people are enabled to buy all of a given commodity that they can consume. Then what is surplus we must manage to put on the world market under a mutual aid scheme if needs be, under an UNRRA arrangement if necessary. Fluctuations in production from year to year could be taken care of through the world outlet. If we undertake to trade all our surplus we may be in difficulties. We can never be sure that we can trade off all that we can produce in a given year; but I do not think the time is likely to come, at least in our lives, when it will not be possible to distribute our surplus under mutual aid or under an UNRRA scheme.

The question will then arise: How will you pay for all that you distribute through mutual aid? Once more the problem is one of finance, and if you can produce enough in the dominion, and a sufficiently wide variety of commodities, it will be possible for you to keep your standard of living at whatever level your production will justify and also render available to the world your surplus. I am not going to go into great detail on that tonight. I may have more to say as the session progresses.

Mr. MacNICOL: We want to end the session some time.

Mr. BLACKMORE: I could not catch what the hon. member said.

Mr. GARDINER: He wants to end the session some time.

Mr. BLACKMORE: The hon. member is always fair and I think he will grant that I have not used overmuch of the time this year. Fair prices must be maintained by the principle of subsidy. Even the labour on farms, which was complained of by several hon. members in the course of the debate, must be taken care of by a wage bonus. This afternoon an hon. member—I have forgotten which one—said in effect that he could not possibly pay $100 a month to a man to milk cows. Every hon. member of this committee will agree that it cannot be done.

An hon. MEMBER: It is being done.

Mr. BLACKMORE: No ordinary farmer can do it. If he is operating on a large basis with many cows, a lot of mechanization and all that kind of thing, under ideal arrangements, he may be able to do it; but the ordinary farmer who milks five or six cows, who is the kind of farmer that will produce the greatest quantity of milk in this country, or to whom we must be prepared to look for the greatest quantity of our milk—

Mr. GRANT: It would not take a man a whole day to milk five or six cows.

Mr. BLACKMORE: A farmer could not afford to pay $100 a month to do it. That is the point under discussion.

Mr. GRANT: He would work at many other jobs besides milking cows.

Mr. BLACKMORE: If the farmer had enough things for him to do, all of which were likely to give him a profit, he could afford to do that; he could afford to pay him $100 a month, but the ordinary farmer has no such set-up that would enable him to give a man $100 a month on his farm. At the same time everybody agrees that the man ought to have $100 a month for working on a farm. If $100 a month is not forthcoming a man will not be able to prepare himself to support a family.

The question that arises is: how are we to solve this problem? I suggest in all sincerity that the only solution is going to be a wage bonus, a supplementary allowance to farm labourers over and above what the farmer can afford to pay. The orthodox economist will immediately find himself affected much as he would be if a galvanic needle were thrust into his spine. The important thing for him to bear in mind, however, is this: Can the dominion of Canada produce enough goods of a sufficient variety to enable her to pay the man who works on the farm milking cows and thinning beets and doing other things, $100 a month? The answer must be yes. If that is possible, then we must devise a financial system which will reflect the physical realities of our productive capacity and enable us to do financially what we can do physically.

There is one more thing which will become necessary in order to guarantee a stable market. I said a moment ago that we must first of all be able to enable all Canadians to buy what they need of our produce, our potatoes, our eggs, our apples, our coal. Hon. members know how low is the average income of the wage-earners of Canada. What a disgrace to the Canadian people our wage rates are! We are in danger right now, as hon. members

know, of a serious strike, almost dominion-wide. What for? For the privilege of having something like $125 a month. The sum of $125 a month is not too much for men engaged in steel work.

Mr. McKAY: Not enough.

Mr. BLACKMORE: It is not too much; that is the point. It is not more than this dominion can pay in the way of goods. There is no doubt in the world that this dominion can produce enough eggs, butter, cheese, lumber and other things to pay these labourers $125 worth of such goods a month for producing steel. The thing we lack in our present concept is a financial mechanism to render our physical capacities financially possible.

I submit it is on the financial aspect of our economy that we must concentrate our attention. When we do that we shall find that it will be financially possible for us to distribute to the consumers of this country such an amount of purchasing power as will enable them to buy their full requirements of the goods we are able to produce, thereby guaranteeing our agriculturists a stable market so far as home consumption is concerned. This must be done. If not, then we must resort to a method of deliberate distribution of consumer purchasing power; and we might just as well acknowledge first as last, that the present financial system simply will not distribute that purchasing power.

Our C.C.F. friends, with whose expressions I often have a lot of sympathy, are fond of blaming the whole trouble on private enterprise. Well, private enterprise will produce the goods. There is no doubt about that. Private enterprise will produce the goods; it will produce the coal—

Mr. McKAY: It is not doing so now.

Mr. BLACKMORE: The reason is that it cannot sell at a fair price. Get producers a fair price and a certainty of selling and private enterprise will produce all that this country can possibly use and enough for it to distribute abroad under a mutual aid system. The difficulty lies in the financial mechanism. I hope that all the members of the C.C.F. organization will come to recognize this soon enough so that they will not waste their time and the time of the people in these critical days thinking about a solution that is not a solution. Let us keep our minds concentrated on the real difficulty which confronts us. The real difficulty—

An hon. MEMBER: We thank the hon. member for his help.

Mr. BLACKMORE: You're welcome, and you need the help. The real difficulty is financial. It must be obvious.

Our farmers must have equitable prices, which means not only a fair price for the things they produce, but also a fair price for the things they buy. There must not be a steady rise in the price of these 147 commodities all up through the years in the future as there has been since 1914. That simply must not be. There must not be any more increases in the price of agricultural implements or of any other thing which the farmer needs. We must set about finding how to overcome the difficulties. When we overcome this disparity between the price of the things farmers sell and the price of the things farmers buy so that with the money they derive from what they sell they will be able to buy a fair portion of the things available for purchase, then we shall have prosperity, we shall have equitable prices. The thing can be done. We can produce enough in Canada to do it.

Then we must have stable prices going on from year to year. In the memory of every member of this committee there was the wildest fluctuation in the prices of such stable commodities as wheat. There is to-day in the price of many commodities. Why should there be any such fluctuation in prices? A bushel of wheat will feed just as many men to-day as it did fifteen years ago or fifty years ago. It will feed quite as many men a year from to-day or ten years from to-day as it will feed to-day. Its price ought to be stable. It is for us to determine the means whereby to make it stable so that from year to year we shall know, and not only shall our producers know what they are going to get, but our governments are going to be able to calculate with some measure of accuracy what they may expect to derive by way of income from our producers. We shall be able to put our whole economy on a business basis, so that we shall have a chance to know where we stand. Everybody will grant that that is a wholly desirable objective. Let us determine by what mechanism we can attain that objective. We must have stable markets. We must know from year to year how much we can sell, and how much we can dispose of. To say that is impossible is, I think, a reckless remark; for certainly in any age which has heard the Atlantic charter advocate that all men should be guaranteed freedom from want, it should not sound absurd to propose that we should be able to render available to the people who need our goods and services, whatsoever in Canada we may have left over, after having provided for the needs of our own people.

Once more the objective must commend itself to every member as being physically possible. Once more our primary task is to determine the financial mechanism by which

to make it financially possible. So once more the problem is one of finance. It is not one of production; it is not one of ownership.

May I say just a word about labour, to which I have already referred. I am sure every hon. member is deeply concerned about the labour situation throughout this country. Everyone recognizes, for example, that the seamen's union is not asking for anything unreasonable. Everyone recognizes that the C.I.O. is not asking for anything unreasonable. There may be extremists, but they are exceedingly few in number and I have not met them. They are just asking for a common-sense standard of living that any right-minded individual would freely grant that they have a perfect right to ask. It must be conceded by all that we in Canada are able to produce all the goods necessary to provide a standard of living which, say, $125 a month would buy. If we do not solve that problem of the reward for labour, then our whole economy can be disrupted, with grievous consequences to agriculture, and to everyone else. We must determine how to solve that problem.

Mr. BARRETT: Mr. Chairman, it is evident, after listening to the discussion in the committee yesterday and to-day that the farmers in this country are not very happy. We have heard many speeches, some of which were most entertaining, and all of which were interesting and instructive. They have been delivered by hon. members from all groups in the house, and representing widely separated sections of the country. The main theme in all of them seems to be that the condition of farming in this country is not satisfactory. All are agreed that unless it is satisfactory, the condition of other groups in the country will be jeopardized.

But when we begin to inquire into the causes of unrest in agriculture we become embroiled in a mass of facts and figures which, to say the least, are confusing, and which at one time seem to prove one thing and at another, something else. In the end they really do not prove very much of anything.

For this reason I hesitate to use figures at all, because I realize there is some truth in the old saying that figures lie and liars figure. However, I think I am quite safe in assuming that all hon. members in the committee, no matter how we may differ in our opinions about certain things, have enough confidence in the integrity and sincerity of each other to believe that no one of us will deliberately use figures with the intention of misleading.

[Mr. Blackmore.]

I have been trying to find a common base upon which to compare the income of farmers with that of other groups in the community. I was deeply interested in hearing the hon. member for Lethbridge use the year 1913, because recently a friend of mine gave me a graph of considerable interest. This graph, which I had not seen before, had been prepared by the Department of Pensions and National Health in 1937, and showed the index numbers of farm prices and industrial wages, taking the year 1913 as a base of 100.

Up to that time I had found that in some tables the period 1926-1929 was used. In still others I found the period 1935-1939. However, this was the first time I had seen the year 1913 used as a base. It seemed to me that whereas in that year industrial wages and farm prices were at exactly the same level, for that reason it was a fair year to take. I extended the graph from 1937 up to 1944, the last year for which I could get figures from the Department of Labour showing index numbers for wages.

I do not propose to draw any definite conclusions from the graph, because I am not an economist, and I do not know what the proper relationship is between the two lines which are shown. I frankly admit that as a farmer I look at this matter from a farmer's viewpoint. I dare say, however, that until I get other facts I cannot draw any definite conclusions. My only purpose in drawing this graph to the attention of the committee is to see if we can find out just what these figures imply.

For instance, we find that the index number of farm prices up to 1920 was above that of industrial wages. In comparison with the year 1913 when there was a base of 100, farm prices rose to 258·8 while industrial wages went only to 205·5, representing a difference of 53·3 points. In 1921 farm prices dropped 22·3 points below wages, and they have been below ever since.

Surely there should be a more fair relationship between prices and wages than the figures I have mentioned would indicate. The period 1926-29 is usually considered the period in which we enjoyed most normal conditions, and in that year the difference was 28·7 points; that is, the index number of farm prices was 28·7 below that of industrial wages. During the thirties both farm prices and wages dropped disastrously, but in 1932 farm prices went to a low of 25 points below the 1913 figure, while wage rates were still 72·1 above the 1913 base. And in 1933 when wages were at their lowest point they were 63·3 points above the 1913 level.

By 1939 wage rates had risen to 191·9, while farm prices had not quite reached the 1913 level, the index number standing at 99·6. In 1941 the index of farm prices was 109·3, while the index of wages was 218·6, or 109·3 points above farm prices. In 1944, owing to subsidies, farm prices rose to 160·9, but wages rose to 263·9, or a difference of 103 points.

As I said before, these figures do not necessarily prove anything unless we have many more related facts and probably they cannot be used to much advantage. However, they do give us a long-time picture of the trend of prices and wages. They are quite interesting when taken in conjunction with the cost of living. With the permission of the committee I should like to place on *Hansard* this graph and the figures that go with it.

The ACTING CHAIRMAN (Mr. Golding): Has the hon. member the permission of the committee?

Some hon. MEMBERS: Agreed.

Mr. BARRETT: The graph and figures follow:

Index numbers of wholesale prices of farm products and industrial wages 1913-1946 with 1913=100.

	Total Can. Farm Products	Industrial Wages
1913	100·0	100·0
1914	110·8	101·3 + 9·5
1915	124·3	102·1 + 22·2
1916	143·3	109·2 + 34·1
1917	207·5	125·1 + 82·4
1918	211·9	147·0 + 64·9
1919	233·1	172·9 + 60·2
1920	258 8	205·5 + 53·3
1921	164·8	187·1 — 22·3
1922	138·5	174·8 — 36·3
1923	127·6	179·6 — 52·0
1924	139·1	181·9 — 42·8
1925	160·5	180·0 — 19·5
1926	159·6	181·1 — 21·5
1927	162·2	185·2 — 23·0
1928	158·4	187·1 — 28·7
1929	158·8	190·4 — 31·6
1930	127·7	191·9 — 64·2
1931	86·1	185·4 — 99·3
1932	75·1	172·1 — 97·0
1933	79·8	163·3 — 83·5
1934	92·6	164·8 — 72·2
1935	99·6	169·8 — 70·2
1936	109·6	172·7 — 63·1
1937	139·3	185·6 — 46·3
1938	116·1	191·1 — 75·0
1939	99·6	191·9 — 92·3
1940	103·8	199·4 — 95·6
1941	109·3	218·6 — 109·3
1942	126·9	235·1 — 108·2
1943	148·8	254·8 — 106·0
1944	160·9	263·9 — 103·0
1945	165·1	
1946		
January	166·6	
February	167·4	
March	167·4	

See graph on following page.

As I say, these figures show an interesting picture when taken in conjunction with the cost of living index. Taking 1913 as a base with the cost of living at 100, we find that the cost of living increased to 128·4 in 1939, while industrial wages increased to 191. This represented an increase in real wages or, as we usually term it, the standard of living of 49 per cent. Thus the long-time trend of real wages increased about two per cent a year.

Mr. WRIGHT: Does the graph indicate the wage rates or the actual wages received? It does not mean very much if a man is being paid $1 an hour and he can work only one hour a day.

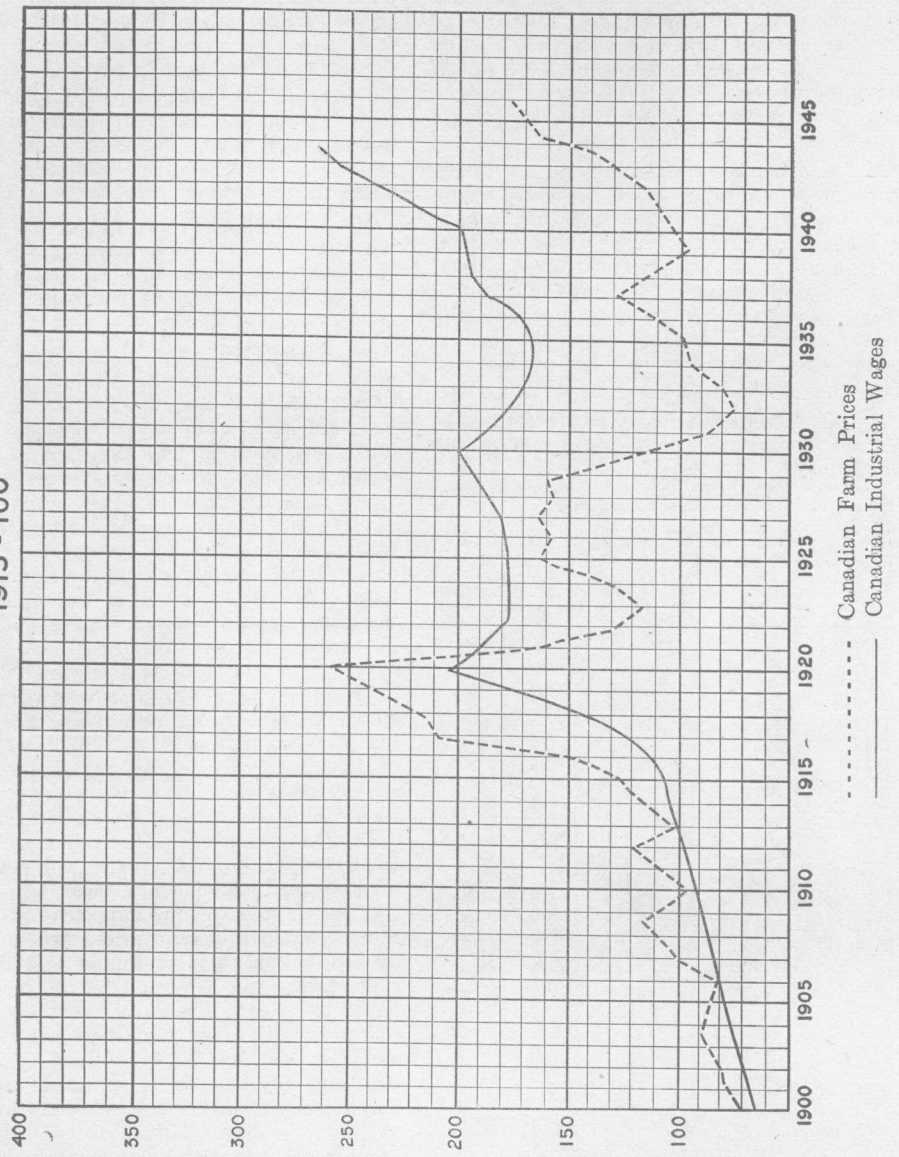
Mr. BARRETT: This is the index of wage rates. The other day the Minister of Labour pointed out that the efficiency of labour had increased about two per cent a year. Therefore it would seem that the increase in real wages was about proper for that period, provided, of course, that the other earning classes received an equal raise. Unfortunately, according to what statistics we can find, the lines on this graph would seem to indicate that the farmers had not received an equal raise, and the efficiency of our farmers increased as much if not more than that of labour.

What happened during the war? The cost of living rose from 128 in 1939 to 151 in 1945, with wage rates rising from 191 to 266, so that real wages went from 149 to 176, or an increase of 18·4 per cent for the war period, representing an average of three per cent a year or 50 per cent more than the long-term average.

Taking these figures into account, I do not think any fair-minded person will deny that on the whole labour has been quite fairly treated. It must not be forgotten that during the pre-war period farm prices were governed by the normal laws of supply and demand, while wages were governed by the bargaining power of labour. The government sat in as a sort of umpire to see that there was fair play as far as possible. Now, however, by its controls not only does the government act as an umpire, but it makes the rules of the game and enforces them. More than ever, it is now encumbent upon the government to see that justice is done to all.

Because of recent actions of the government the farmers of this country are not at all satisfied that this has been done. They want to know what reason the government can give for farm machinery prices rising faster over a period of years than did agricultural prices This is what has happened since 1926. Between 1926 and 1929 farm machinery prices were stable and during the depression they fell only five per cent, whereas prices of farm products fell 52 per cent from the 1926-29 period.

(This is the graph referred to on page 1433 of *Hansard* in Mr. Barrett's speech).



At the outbreak of war in 1939 farm machinery prices were seven per cent above the 1926-29 period, while prices of farm products were still 36 per cent below that level. During the war farm machinery prices were frozen and prices of farm products rose; but in spite of that fact, in spite of the bonuses that were paid, those prices were only ten per cent above the 1926-29 level, while farm machinery prices were 16 per cent above. Most of the increase in farm prices was on account of bonuses or subsidies which came out of the national treasury and part of that was taken out of the farmers' own pocket.

The recent increase in the ceiling of machinery prices will increase this discrepancy because it will put those prices about 23 per cent above the base period, while farm products, even with all the bonuses and the recent increases in prices of hogs and butter,

will be only 12 per cent above, as is shown by the following official figures of the bureau of statistics.

I have here a table entitled, "Index numbers of prices of farm machinery and prices of farm products." This was put out by the dominion bureau of statistics with the figures being converted to the 1926-29 level. It shows farm machinery prices and farm products prices as 100 for 1926-29. By 1939 farm products had dropped to 67·7, while prices of farm machinery had increased to 106·8. During 1942, 1943 and 1944 prices of farm machinery stood at 120, while prices of farm products were 81·7, 95, and 101·9 respectively. I should like permission, Mr. Chairman, to put the whole table on *Hansard*.

The ACTING CHAIRMAN (Mr. Golding): Has the hon. member the permission of the committee?

Some hon. MEMBERS: Agreed.

Mr. BARRETT: The table is as follows:

Index Numbers of Prices of Farm Machinery and Prices of Farm Products—Dominion Bureau of Statistics—Converted to 1926-29=100

	Farm Machinery	Prices of Farm Products	With* Bonus
1926-29	100	100	
1939	106·8	67·7	
1940	109·4	66·5	67·8
1941	112·9	75·6	79·4
1942	120	81·7	87·8
1943	120	95·0	101·5
1944	120	101·9	108
1945	116·2	104·4	109·6
May, 1946	123·1	107 (Estimated)	112

*Prices adjusted upward to account for agricultural subsidies.

If we compare these prices with those which farmers have to pay for the supplies they need we find, again taking 1926-29 as 100, that the index number in January of this year for farm machinery was 116·2 and now will be 123·1; fertilizer at 86; gas and oil at 100; hardware at 116; and binder twine at 78. Those are the main items of cost to the farmer.

The Minister of Finance has told us that wages in the Massey-Harris company have risen from 51½ cents in 1939 to 80 cents in 1946, or an increase of 55 per cent in seven years. Taking into consideration the rise of 19 per cent in the cost of living, this represents an increase in real wages of 30 per cent, or an increase of 4 per cent a year for real wages for this particular industry, or 25 per cent more than the increased wages in industry as a whole. It would seem that the government under its control system has allowed that to happen, and possibly in its opinion for very good reasons, but the farmers think it is not playing fair with them to ask them now to shoulder the whole burden of that increased cost. The committee will recall that the Minister of Finance said in 1944 in his budget speech that he was taking off the tariff on farm machinery:

> . . . to give to agriculture assurance in respect of some of the conditions under which it may expect to operate after the war.

Was this one of the conditions they expected? That is one of the questions the farmers of Canada are asking, but it is only one of many. There is, I believe, a general feeling throughout the country that a satisfactory solution of these problems can never be reached until representatives of agriculture, labour, industry, and government get together with their feet under one table and make an impartial study of the whole situation.

Mr. ARCHIBALD: There is just one problem I wish to bring up at the present time. It arises out of a letter that I have received from the Bulkley valley, between Prince George and Prince Rupert. I will read the letter so that the Minister of Agriculture can give me a reply when he speaks later. The letter says in part:

> The world is clamouring for wheat. Still the dominion government practically prohibits the Bulkley valley farmers from growing wheat and oats. The dominion government pays over $8 a ton for freight on oats shipped from the prairies to the Bulkley valley and Skeena river, plus more than $8 bonus per ton on wheat. As everybody knows, it is hard enough for Bulkley valley farmers to compete with the prairies growing wheat, but with the bonus against them it just stops them growing grain.
>
> If it was to help the chicken farmers, why not bonus eggs instead? What excuse is there to pay the freight on oats to the lumber camps? Is the price of lumber too low?

I would ask the minister, is there not some way of bonusing the farmers in that section so that they may supply the needs of that area? They have the land available, and if they were given the bonus rather than the railways they could produce at a fair return to themselves.

Mr. CASTLEDEN: There is one point which I think the Minister of Agriculture has not covered in his remarks. I believe he was present at the food and agriculture organization meeting in Quebec City last October, where the need was expressed for the promotion of human welfare and for saving the world by providing it with the necessities of life. Noel Baker, the head of the British delegation, said at that conference that it was hunger that made Hitler. That conference did recognize the necessity for the food-

producing countries of the world tackling the problem of planning production in a world-wide way. Sir John Boyd Orr said:

> If the nations of the world are going to get together to feed the peoples of the world, they must increase the production of our most important foods.
>
> In many cases the production must be more than doubled.

In the face of that, the situation in Canada is alarming. During the past few years we have had hundreds of thousands of our men over in Europe, while food production was being carried on in this country in a noble way by those who remained on the farm. They did a great job. The fact that Canada can produce and did produce the food she did is one which no one can doubt. But to-day there are more people here to do the work, and people better qualified to do the work. There is a tremendous demand for food production in Canada to-day. Yet we are faced with a butter shortage, shortages of other foods, and with rationing. At the same time we have 260,000 people unemployed in this country.

There is something seriously wrong when we have the power to produce, and when we have those unemployed seeking work and yet are not getting the needed production, because irrespective of what the minister said in regard to production in the years from 1942 to 1945 he will have to admit that in 1946 we are facing a serious reduction in food production all along the line as compared with the corresponding months of 1945. There must be a number of factors causing this reduction. What is needed at this time is a study of those factors which are causing a reduction in our food production at the very time when we and the whole world need food as never before. If we are to save this world we shall save it through food production to-day. If the united nations organization is to be successful it must be built on the basis of a world where the people who produce the food must receive a return that will pay them for their labour. If the nations who need our food cannot pay for the produce we are selling, let the facts be presented to us and then we can decide upon the next step.

As has been said by a previous speaker, there is evidence in everything which emanates from farm organizations, whether in expressions of opinion or formal resolutions, that those engaged in agricultural production are not satisfied. There are factors which are definitely working against the production of food, and it is our duty to study what those factors are and decide upon a solution. I will submit to the minister one or two points which have arisen in my own experience. We find in the reports tabled by various organizations, in the statistical records, in general information received and from conversations with those actually engaged in the production of food, what are the considerations uppermost in the minds of those who are going out of production.

In proof of what I have said, the figures in the monthly dairy review of Canada issued by the bureau of statistics show, as I believe I stated about a month ago, that the following reductions have occurred in percentages of creamery butter produced in Canada since the beginning of the present year, as compared with the corresponding period of 1945: January, 15·6; February, 18·3; March, 19·6; April, 8·8. The production of cheddar cheese in Canada was 27·8 per cent less than in the same month of 1945; in February the reduction was 36·5 per cent; in March, 35·5 per cent; in April 33 per cent. The figures with regard to the production of hogs have already been admitted by the minister. I think his explanation is that the production of hogs and cattle, particularly in the winter time, depends upon the amount of feed that is grown; and since the volume of coarse grains grown in Canada was much smaller, there was bound to be some reduction. But the farmers who previously raised hogs have shown that, even though they had had the feed, they had no inclination to resume this line of production, that they would not bother feeding grain to hogs. That is true in the west, and there must be some reason.

Farm organizations, and particularly the United Farmers of Canada, have urged a more realistic plan to stimulate food production in Canada. Among their recommendations was one relative to farm labour. Surely these problems are not insurmountable. If Canada could produce these products in war time she can produce them in peace time. If people who are out of work are reluctant to undertake farm labour there must be something hindering them. Is it the fact that there is no adequate return for their work? What is the solution?

In his speech to-day the minister made a curious explanation as to what in his opinion is wrong with agriculture. He said we all know that people like to grow things, that they desire to produce food and clothing for mankind. If that attitude is an indication of his policy I believe his policy has been wrong. You kill the desire of people to grow things, whether for food or for clothing, if you require them to grow these supplies without giving them the necessary return.

Mr. ROSS (Souris): Hear, hear. The profit motive.

Mr. CASTLEDEN: After these long years of drought and anxiety the farmer needs a return for his labour. If you are going to provide it—

Mr. FRASER: Private enterprise.

Mr. CASTLEDEN: Private enterprise? Like the grain exchange? Money was made by those who operate on the grain exchange, and the people who consume the products pay more too, but not to the farmer. That is where your trouble is. Nobody will go on a farm and work year after year under those conditions. True, the farmer likes to see things growing; he wants to help in production, but from long experience he has learned that at the end of it all there is no guarantee that he will have something for his labour. Year after year the lack of return on the investment he has in his farm, and the weight of the mortgage he cannot pay back, mean a constant piling up of debt which cannot be met. Finally it means that he must leave the farm, because the mortgage company forecloses, and then it sells the place to somebody else when another crop of farmers comes along. That is your "private enterprise" for you. The chaps who run these mortgage and loan companies lend the farmer money when prices are high and collect when wheat goes down to thirty or forty cents a bushel.

Mr. CRUICKSHANK: What do you want?

Mr. CASTLEDEN: The farmers of Canada stated in their brief that there must be an immediate cancellation of the federal tax of three cents per gallon on gasoline used for agricultural purposes. They also insisted that there must be an immediate revision of the Income War Tax Act to eliminate inequalities in the application of the act to farming operations. After talking to farmers during the past year, I do not believe there is one single thing about which complaints have been more general. Cases are cited where a farmer, not being permitted by the laws of this country to deliver his grain in 1942 and 1943, delivered it in 1944, and then the income tax officials came around and collected on the basis of his income from cash sales in 1944 in respect of grain raised and income earned in 1942 and 1943. I suggest, perhaps not to the Minister of Agriculture direct but through him to the Minister of National Revenue, that the time is long past when the government should go into the whole matter of farm income tax and put it on an equitable basis. The present system is entirely unjust in the light of conditions which have prevailed over so many years. Half the year in the prairie country there is no production. The minister admits that if for four or five years you have crops, you may then expect to go for four or five years with no production.

Mr. GARDINER: Not "no" production; low production.

Mr. CASTLEDEN: Yes. He also stated the facts when he said that production is so low that it does not cover the cost of operation during those drought years of which he spoke, when the farmer was going into debt year after year. In 1941, 1942, 1943, and to a greater extent in 1944 and 1945 the farmer found he had some income over and above his cost of production. What did he do with it? He turned over the money to pay off his debts; and the figures which have been placed before the house show the admirable way in which he did so. Now he finds, having discharged the debts he incurred in the thirties and early forties, a heavy income tax is placed on him for the years 1942, 1943 and 1944.

An hon. MEMBER: Then he has to go to the mortgage company to borrow money to pay his income tax.

Mr. CASTLEDEN: Many cases have been reported to me where farmers have had to go to the bank and borrow the money to meet their heavy income tax. I suggest to the minister that revisions of the act in one or two respects would do a great deal to increase agricultural production on the prairies. Number one would be to allow as an exemption on his income tax any debts paid by a farmer which were incurred prior to 1940, in years when he had low production. Secondly, allowance should be made in that income tax form for wages to the farmer's wife and those of his children sixteen years of age and over who are working on the farm. To put the combined earnings of these people, as they are on the farm, on one man and charge him on anything in excess of $1,200 is patently unfair. Similar groups of people living anywhere else and putting in the long hours that are put in by the farmer and his family—the farmer working fifteen hours a day and his wife and children anywhere from ten or twelve to fifteen hours—would not be treated in that way. There must be some justice in this scheme of things if we are ever to get people back on a producing basis. The farmers feel this injustice deeply, and their natural reaction, for which you cannot blame them, is this: "Is it to be said that

after working these extra hours raising hogs, feeding chickens, raising turkeys, getting up early and milking cows and working the cream separator, no allowance is to be made us? There is only one thing we can do, because it is not worth it; we will simply produce to the $1,500 level and live as best we can, cutting down our hours of labour to ten or twelve instead of fifteen, and in some cases, eighteen."

The farm organizations of Canada have also stated that some action should be taken to halt the practice of sales of flour with mill feeds sold to farmers. In eastern Canada there has been a common practice among people selling feeds to farmers to stipulate that if they want so many sacks of feed they must take so many sacks of flour along with it. Perhaps it was not put exactly in that way, but the farmer did actually have to take flour in order to get feed.

Mr. GARDINER: It is against the regulations to do that now.

Mr. CASTLEDEN: I believe it is against the regulations now.

Mr. GARDINER: And has been for some time.

Mr. CASTLEDEN: When was it stopped?

Mr. GARDINER: An attempt was made to stop it two or three years ago. I am not saying that it has been stopped, but it is against the regulations. You cannot, however, prevent a farmer from taking home flour if he goes to buy feed and he sees flour in the store selling at a certain price. If he wishes to take it home and mix it with the feed which he has at home there is no way of stopping him.

Mr. CASTLEDEN: That is not the case to which I refer.

Mr. GARDINER: It is the kind of case.

Mr. CASTLEDEN: I am speaking of actual cases where the farmer has been told that if he wanted to take home feed he must take so many sacks of flour.

Mr. GARDINER: That was the position taken by the mills for a long period of years, that if you wished to get feed you had to take a certain proportion of flour. I understand it was first instituted by the mills, and the dealers were told that if they wanted half a carload of feed they must fill the car up with flour. At first it was a practice on the part of the mills themselves and later on, during the war, we had a provision requiring that cars should not be shipped partly filled. That, however, had nothing to do with feed or flour. It was due to the shortage of rolling stock to carry all the freight that had to be moved during war time. Some of the boards stated that cars had to be loaded to full capacity. When we attempted to enforce the regulation with regard to farmers taking feed we were confronted with that fact. We were told that if a man wanted only three-quarters of a car of feed they could not sell it unless they could fill the car, and he would take flour to fill it. Of course it was stated that this was carried out to the dealer, who said to the farmer, "If you want to get the amount of feed that you have ordered you must take so much flour"; and the farmer in some cases, I presume, took lower grades of flour home and mixed it with the feed he had and fed it. Attempts have been made to stop that kind of thing, but there are cases where the farmers find it to their advantage to feed flour. They have taken a lower grade of flour, particularly since wheat has gone up and flour has been maintained on the basis of 78 cents. The farmer walks into a shop and sees a bag of flour there, and he decides that it is to his advantage to buy the flour rather than buy wheat at $1.55 or $1.25 a bushel. So he buys the flour and mixes it himself along with the feed he has and he feeds it. I do not know any way of stopping that by law. It is a practice that has obtained.

Mr. CASTLEDEN: I understand that side of it, but there were cases where farmers were practically compelled to take home flour a couple of years ago.

Mr. GARDINER: That was true some time ago.

Mr. CASTLEDEN: The farmers' organizations wanted it stopped because in many cases the flour was more than they could use themselves. It was a result of the milling industry being overstocked with flour; there was a heavy demand for feed and they did not have shipping space to send it overseas.

Mr. GARDINER: There was a heavy demand for mill feeds such as bran and shorts, in the United States and elsewhere, which could have been sold to better advantage there, and consequently pressure was put on.

Mr. CASTLEDEN: The fact remains that the world requires that flour to feed people and I hope the practice will be completely stopped. I presume it will be stopped, because there will not be the same shortage, and flour will be in too great a demand throughout the world.

The other department that links itself with food production is not under the minister, but a statement was given this afternoon with regard to the number of veterans. I suggest that the Minister of Agriculture, with the

assistance of the Minister of Veterans Affairs, give consideration to the fact that there are 18,000 returned men who have qualified as farmers. Everything possible should be done at an early date; some emergency measures should be taken, to see that these men get on their land and get into production for the crop of 1946. In another month it will be too late. I have letters from my constituency indicating that men have qualified and have been allocated land, but some inspections have not been completed or for some other reason they are being held up. Surely where these men have qualified under the regulations under the Veterans Land Act, where they have proved themselves to be farmers and men of sound judgment, they should be left to choose the land. It should be left to them if they are considered fit to be farmers, having some idea of what an economic piece of land is.

I understand the minister's difficulty and I appreciate his anxiety to avoid some of the errors that occurred under the old soldier settlement board. But here are 18,000 young men, many of them married, who want to get started, and the world is in need of production. I urge the ministers to get together and do all they can to wipe out the red tape that is preventing these young men from getting into production, because they should be seeding to-day. Seeding in the west is pretty well on and in some parts practically completed.

A good deal has been said—the subject has been referred to in every speech that has been made—with regard to increases in farm prices. This party has supported the government in its efforts by means of price ceilings to prevent inflation; we are going to stay with the government in the maintenance of prices, and we demand that these prices be not broken. There must be a proper relation between cost of production and the value of the farmers' products. If the government will stand firmly by this principle they will bring security into the minds and hearts of the farmers, and that is something that is valuable. But we will oppose them every time they puncture these ceilings. That position should be made clear. That is why we opposed the agricultural implement increase without a corresponding increase in farm prices. If the farm prices are raised there is an increase in the cost of living and a spiral will be started, as the minister has already said. A proper relation between cost of production and farm prices would give security to the farmer, the thing that is most important to him, the thing that would keep him on the farm, the thing that will attract others to the farm. There are many more people who would enjoy producing and who would like to be producing than are on the farms to-day, but they will not dare go on the farms because of the lack of security. If security can be guaranteed they will go at it. The same thing applies to the wages that are paid, and also to the cost of living. If there is a proper relationship existing there, there will not be much trouble with labour. If an increase is to be allowed on only one line without a corresponding increase in the other, then trouble can be expected from labour.

We do not believe, as do our hon. friends to the right, that the ceiling should be lifted. We went through a depression following a spiral of prices in the inflationary period and we do not want to go through that again.

Mr. SENN: May I ask the hon. gentleman a question?

Mr. CASTLEDEN: Yes.

Mr. SENN: Does he believe that there is a proper relationship existing to-day between farm prices and prices of other commodities?

Mr. CASTLEDEN: Not entirely at the present time. But they have not helped it any by allowing a 12½ per cent increase in the machinery which the farmer has to buy.

Mr. CRUICKSHANK: May I ask a question?

Mr. CASTLEDEN: Yes. I have only a few minutes left. I am always glad to hear from the hon. member for Fraser Valley.

Mr. CRUICKSHANK: Does the hon. member believe in the socialization of milk?

Mr. CASTLEDEN: Just as soon as milk gets into the hands of a monopoly I would say, yes, take it out.

Mr. CRUICKSHANK: The hon. member would take it away from the cooperatives?

Mr. CASTLEDEN: Any profits or excess charges made in the operation are divided among the producers. A proper producers' cooperative spreads it around among the producers. There is no monopoly involved in a properly run producers' cooperative. The extra charges are spread evenly among the people.

Mr. CRUICKSHANK: They would have a corner on milk.

Mr. CASTLEDEN: I would rather have all the people have a corner on something through a true cooperative than a private individual.

Another thing I should like to advocate to the minister is the establishment of the Canadian wheat board as the sole marketing agency of Canada's grain. The thing which farmers dislike to see is the bringing in of an agency such as the grain exchange at the time when farmers are out producing at a minimum re-

turn themselves, when everybody is doing his utmost to produce at a time when the world is in such a difficult situation. To see an organization like the Winnipeg grain exchange reinstated in the marketing field and start gambling in food would be a bitter blow to the people and would work to the detriment of food production throughout the world. If the farmers are guaranteed that security the minister need have no fear of what Canadian people will do with regard to farm production. Guarantee them a proper relationship over a period of years and you will get the best returns from the farmers. You will get more economic production and you will have the farmer in a position where he can produce economically because he can afford to buy the machinery to produce efficiently. You will have prosperity among the farmers which will give prosperity to the state. You will have a prosperous industry which will not only make the greatest contribution to the welfare of the people of Canada but provide the people of the world the food which is most essential to the maintenance of peace and to the future well-begin of our people. It is the only hope of humanity if it ever expects or hopes to live in a world where there are no wars.

Item agreed to.

2. Publicity and extension division, $154,804.

Mr. SENN: On this item I should like to have the minister state if any new periodicals have been issued this year. Yesterday he made a statement to the effect that last year a certain amount of advertising of one kind or another had been done to assist the farmers in production. Could he give a short description of what is being done there?

Mr. GARDINER: During the year sixty-five new and revised publications were issued. These included sixteen farmers' bulletins, five technical bulletins, eight circulars, six acts, orders and regulations, seven special war-time production series and twenty-three reports and miscellaneous publications. The statistics covering 1944 and 1945 with regard to these indicate that 850,224 publications were mailed on personal request; 582,056 publications were mailed in bulk for redistribution; 1,330,434 copies of market reports mailed on request; 8,680,738 copies of mimeographed, multigraphed and multileafed publications comprising press releases, news notes, market information and leaflets, et cetera, were distributed.

[Mr. Castleden.]

Mr. SENN: The minister did not say what advertising had been done. He said yesterday that a certain amount of advertising had been done.

Mr. GARDINER: Advertising comes under marketing. We had better take it up there.

Mr. BRYCE: Overseas does not come under the minister's department?

Mr. GARDINER: Advertising overseas is done under trade and commerce and external affairs.

Item agreed to.

4. Contributions to empire bureaux, $47,397.

Mr. CASTLEDEN: How many empire bureaux are operating?

Mr. GARDINER: The original eight bureaux were organized in 1928. They are as follows: Bureau of soil science, located at Rothamsted experimental station; bureau of animal health, located at the veterinary research laboratory, Weybridge; bureau of animal nutrition, located at Rowett research institute, Aberdeen, Scotland; bureau of animal genetics, located at the university of Edinburgh, Scotland; bureau of plant genetics (crops other than herbage), located at the plant breeding institute, Cambridge; bureau of plant genetics (herbage crops) located at Aberystwyth, Wales; bureau of fruit production, located at East Malling research station; bureau of agricultural parasitology, located at the institute of agricultural parasitology, Winches Farm drive, St. Albans. Additional bureaux organized since 1928; bureau of dairy science, located at national institute for research in dairying, university of Reading, Shinfield; forestry bureau, located at Oxford. Institutes operating under executive council of I.A.B.: mycological institute, located at Kew, Surrey; institute of entomology, located at British museum (natural history) Cromwell road, London, S.W. 7.

Mr. CASTLEDEN: I understand that each of the various parts of the empire make contributions to the bureaux that are set up in the British isles, is that right?

Mr. GARDINER: Commonwealth countries?

Mr. CASTLEDEN: Yes.

Progress reported.

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

Monday, May 13, 1946.

The house met at three o'clock.

PRIVILEGE

REFERENCE TO PRESS REPORT, OTTAWA "JOURNAL", MAY 11

Hon. H. F. G. BRIDGES (Minister of Fisheries): Mr. Speaker, I rise on a question of privilege. On page 1 of the Ottawa *Morning Journal* of May 11, the following appears:

Two cabinet ministers, Works Minister Fournier and Fisheries Minister Bridges expressed themselves in favour of the present procedure of having parliament deal with divorce cases.

And on page 18 of the same newspaper I am quoted as saying:

So far as I can see there is no way you can get around the present problem. There is no way you can impose on the people of Quebec something they do not want—

Sir, I did not say on that occasion that I was in favour of the present system, nor for that matter did I say that I was against it, and further, I did not say, "There is no way you can impose on the people of Quebec something they do not want." What I did say, and what appears on page 1420 of *Hansard* of May 10, was as follows; and I quote:

—and so far as I can see at the present time there is no way that you can get around the present system. I am sure there is no desire on the part of any one to impose upon the province of Quebec a court which the majority of the people in that province do not want.

REPORTS OF COMMITTEES

RAILWAYS AND SHIPPING—CONCURRENCE IN FIRST REPORT

Mr. H. B. McCULLOCH (Pictou) presented the first report of the sessional committee on railways and shipping owned, operated and controlled by the government, and moved that the report be concurred in.

Motion agreed to.

STANDING ORDERS—CONCURRENCE IN FIRST REPORT

Mr. MATTHEW MacLEAN (Cape Breton North-Victoria): Mr. Speaker, I move that the first report of the standing committee on standing orders, presented to the house on May 10, 1946, be concurred in.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion? Carried.

Mr. BRACKEN: Before the motion is carried may we have some explanation of what is passing the house?

Mr. SPEAKER: The hon. gentleman will have to ask the leave of the house, as the motion has been carried.

Mr. MACKENZIE: I think the house is entitled to an explanation of the significance of this resolution.

Mr. MacLEAN: I was chairman of the committee, and all the bills as set out in the report were presented to the committee and agreed to unanimously.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. FRASER: We have not heard the motion. We do not know what we are dealing with.

Mr. MacNICOL: Let somebody else read it.

Mr. MACKENZIE: I understand that the hon. gentleman is moving concurrence in a report of a committee, and I think the house might very well listen to the reading of the report.

Mr. FRASER: What committee was it?

Mr. MACKENZIE: The standing committee on standing orders.

(The Clerk Assistant read the first report of the standing committee on standing orders, presented to the house on May 10, 1946.)

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FOREIGN EXCHANGE CONTROL—DISCOUNT ON CANADIAN DOLLAR

Mr. LOW:

1. Who is responsible for the maintenance of the Canadian dollar at a 10 per cent discount in terms of the American dollar?
2. What has been the total net profit to the Foreign Exchange Control Board resulting from the maintenance of the Canadian dollar at a fixed discount in terms of the American dollar since 1938?

Mr. MAYHEW:

1. The rate of exchange for the United States dollar in Canada is established pursuant to section 24(1) of P.C. 2716 dated September 15, 1939, as amended by section 13(1) of P.C. 7378 dated December 13, 1940, which reads as follows:

"Subject to any instructions that may be given by the Minister of Finance, the foreign exchange control board may prescribe rates of exchange for transactions in foreign exchange pursuant to this order with respect to such foreign currencies and such transactions or kinds of transactions as the board may designate."

On September 16, 1939, the Minister of Finance wrote to the chairman of the foreign exchange control board, setting a rate of 10 per cent premium buying and 11 per cent premium selling for United States dollars.

On October 4, 1945, the Minister of Finance wrote to the chairman of the foreign exchange control board, setting a rate of 10 per cent premium buying and 10½ per cent selling for United States dollars.

2. The foreign exchange control board does not make profits as a result of the premium on the United States dollar. The profits of the special exchange fund account in the name of the Minister of Finance which was established by the Exchange Fund Act, 1935, and has been operated by the foreign exchange control board on behalf of the minister under the foreign exchange control order since September 15, 1939, are derived from the spread between the rates at which the board buys and sells foreign exchange and earnings on investments less the costs of operation of the exchange fund account and the board. In the near future the Minister of Finance proposes to table a report giving details of the operation of foreign exchange control during the war period and statements of the revenue and expenditures of the exchange fund account.

INCOME TAX—FARMERS—1944

Mr. BERTRAND (Terrebonne):

1. Has the Department of National Revenue, Income Tax Division, sent to farmers, in recent months, forms for their 1944 income tax?

2. Were such forms addressed by Ottawa or by income tax district offices?

3. Will the Department of National Revenue, Income Tax Division, require farmers to file returns previous to 1944?

4. Owing to the fact that the majority of farmers find it impossible to file a correct return of their business in 1944, will the Department of National Revenue require them to file a return for that year?

5. Has the farmer the privilege of deducting from his income tax the cost of his income tax return, the preparation of which, owing to the multiplicity of questions and details to be answered and given, must be entrusted to an accountant, or other person familiar with accountancy?

6. Is the farmer entitled to deduct from his general working expenses the amount of wages that he would pay to hired men if he had no sons, which amount he does not officially pay over to his sons, but the total payment of which is used later towards their settling on a farm?

7. Is the farmer entitled to deduct from his working expenses the amount for board which he gives to his sons who receive no fixed or regular wages, and, in the absence of wages, deduct the petty sums which he gives them weekly or monthly, and which fall under the heading of "expenses?"

8. What is the maximum percentage that a farmer can deduct yearly from his income tax for the purchase of farm implements?

[Mr. Mayhew.]

Mr. McCANN:

1. As a continuous procedure, as information discloses the necessity from time to time, the department sends to farmers and all other persons delinquent in filing their 1944 income tax returns, the forms, together with a letter requesting compliance with the law.

2. By income tax district offices.

3. All persons, farmers or otherwise, from time to time as information discloses delinquency, are requested to file income tax returns in accordance with the law.

4. Yes. The return is required. The difficulties are dealt with subsequently thereto.

5. No.

6. No.

7. If able-bodied sons, not claimed as dependents, regularly work during the year, the "amount for board" and wages actually paid as such are allowed as an expense.

8. The question pertains to depreciation of purchased implements and depreciation varies in respect of various classes of farm implements. The expected useful life of the asset is reasonably known by each farmer and forms the basis of his initial request for depreciation.

FARM LOANS

Mr. WINKLER:

By years and by provinces, how much has there been loaned by the Canadian Farm Loan Board since its inception?

Mr. MAYHEW:

Fiscal Year Ended March 31	British Columbia	Alberta
1930.....	$ 682,092	$ 1,324,418
1931.....	411,645	1,391,578
1932.....	170,012	555,869
1933.....	103,039	172,152
1934.....	21,027	98,047
1935.....	44,312	144,930
1936.....	179,159	1,434,911
1937.....	133,288	1,150,645
1938.....	144,715	617,761
1939.....	248,279	652,880
1940.....	202,591	857,293
1941.....	134,153	294,667
1942.....	77,151	222,913
1943.....	66,681	101,705
1944.....	90,070	148,042
1945.....	101,350	275,421
1946.....	108,112	411,798
	$ 2,917,676	$ 9,855,030

Fiscal Year Ended March 31	Saskatchewan	Manitoba
1930.....	....	$ 41,858
1931.....	....	212,617
1932.....	....	305,650
1933.....	....	228,515
1934.....	....	122,842
1935.....	....	152,578
1936.....	$ 1,872,065	1,142,604
1937.....	2,740,585	1,436,046
1938.....	1,256,892	490,081
1939.....	739,109	561,599
1940.....	667,800	458,884
1941.....	313,564	328,454
1942.....	276,053	176,092
1943.....	183,460	164,650
1944.....	153,913	276,507
1945.....	198,906	393,178
1946.....	351,006	535,390
	$ 8,753,353	$ 7,027,545

Fiscal Year Ended March 31	New Brunswick	Nova Scotia
1930.....	$ 281,641	$ 98,368
1931.....	147,316	105,100
1932.....	117,149	56,072
1933.....	85,401	37,640
1934.....	13,323	16,020
1935.....	41,020	18,680
1936.....	133,614	195,506
1937.....	114,932	287,707
1938.....	76,613	206,412
1939.....	41,926	218,936
1940.....	51,760	185,065
1941.....	36,965	75,599
1942.....	25,209	49,389
1943.....	21,900	30,133
1944.....	18,560	41,190
1945.....	10,516	53,448
1946.....	18,165	56,343
	$ 1,236,010	$ 1,731,608

Fiscal Year Ended March 31	Ontario	Quebec
1930.....	....	$ 202,000
1931.....	....	1,249,232
1932.....	....	791,592
1933.....	....	649,368
1934.....	....	287,371
1935.....	....	145,687
1936.....	$ 1,013,984	1,292,219
1937.....	1,033,136	3,922,506
1938.....	915,896	1,391,640
1939.....	877,370	810,622
1940.....	905,992	849,021
1941.....	641,172	778,321
1942.....	365,633	842,246
1943.....	271,928	419,938
1944.....	306,200	262,015
1945.....	286,344	280,878
1946.....	361,309	242,576
	$ 6,978,964	$14,417,232

Fiscal Year Ended March 31	Prince Edward Island	All Provinces
1930.....	....	$ 2,630,377
1931.....	....	3,517,488
1932.....	....	1,996,344
1933.....	....	1,276,115
1934.....	....	558,630
1935.....	....	547,207
1936.....	$ 159,717	7,423,779
1937.....	255,311	11,074,156
1938.....	164,298	5,264,308
1939.....	188,122	4,338,843
1940.....	164,256	4,342,662
1941.....	124,612	2,727,507
1942.....	98,829	2,133,515
1943.....	59,861	1,320,256
1944.....	39,607	1,336,104
1945.....	61,369	1,661,410
1946.....	36,503	2,121,202
	$ 1,352,485	$54,269,903

INDUSTRIAL DEVELOPMENT BANK

Mr. ASHBY:

1. Is the Industrial Development Bank in operation at the present time?

2. If so, who are its directors and who is the chairman of the board of directors?

3. Does the goverment have a representative on this directorate?

4. What is its capitalization?

5. How much did it "cost" to establish this bank?

6. What has been the cost of its operation up to December 31, 1945?

7. What is the total amount of loans to December 31, 1945?

8. Is the bank operating at a profit or a loss and what was its position as at December 31, 1945?

Mr. MAYHEW:

1. Yes.

2. G. F. Towers, president; E. G. Baker, W. C. Clark, C. G. Coote, D. Gordon, J. L. Holman, F. Magee, W. K. McKean, A.

Stewart Nichols, R. H. Milliken, A. C. Picard, L. P. St. Amour, E. J. Tarr, A. C. Taylor and W. D. Black.

3. Yes, W. C. Clark, Deputy Minister of Finance.

4. $25,000,000, of which $10,000,000 has been issued and paid up.

5. The Industrial Development Bank is not a branch of the dominion government but a subsidiary of the Bank of Canada.

Section 29(3) of the Industrial Development Bank Act states, "The bank shall within ten weeks after the end of each fiscal year, transmit to the Minister of Finance in such form as he may prescribe, a statement of its accounts for the fiscal year together with such summary as he may deem desirable or as may be required by the Minister of Finance." This return for the fiscal year ended September 30, 1945, was tabled in the House of Commons on December 6, 1945.

6 and 8. Details of the operations of the Industrial Development Bank will be found in the report for the year ended September 30, 1945. Operating expenses totalled $110,666.26, earnings totalled $308,509.05, leaving net earnings of $197,842.79. These net earnings were appropriated as follows: To contingency reserve, $100,000; to reserve fund, $97,842.79.

7. Section 29(1) of the Industrial Development Bank Act requires that "The bank shall, within twenty-one days following the end of each calendar month, make up and transmit to the Minister of Finance in such form as he may prescribe, a statement of its assets and liabilities at the close of business on the last day of the preceding month." This statement, as at December 31, 1945, appeared in the Canada *Gazette* of January 26, 1946, and showed loans and investments (excluding dominion government securities) at $1,360,871.29.

PRAIRIE FARM ASSISTANCE—MANITOBA

Mr. ZAPLITNY:

1. What amount has been paid by the farmers of Manitoba into the Prairie Farm Assistance Act fund since its inception?

2. How many farmers in Manitoba have received benefits under this Act?

3. What is the total amount of such benefits received by the farmers of Manitoba?

Mr. GARDINER:

1.

1939-40	$333,453 13
1940-41	354,813 76
1941-42	339,969 87
1942-43	481,974 50
1943-44	779,490 76
1944-45	754,366 36
1945-46 (to February 28, 1946)	428,896 30
	$3,472,964 68

2.

1939-40	6,981
1940-41	6,370
1941-42	1,009
1942-43	—
1943-44	126
1944-45	1,415
1945-46	324
	16,225

3.

1939-40	$875,856 63
1940-41	615,109 23
1941-42	36,493 67
1942-43	—
1943-44	16,685 25
1944-45	163,420 97
1945-46 (to March 31, 1946)	23,718 75
	$1,731,284 50

QUESTIONS PASSED AS ORDERS FOR RETURNS

VETERANS LAND ACT—CONSTITUENCY OF LISGAR

Mr. WINKLER:

1. How many ex-service men (a) from world war one; (b) from world war two, applied for and received land under the Soldier Settlement Act or the Veterans Land Act, in the constituency of Lisgar?

2. Of these, how many have met all payments due and owing under their contracts?

3. How many asked for relief under the Farmers' Creditors Arrangement Act?

4. In terms of dollars, what did such relief granted amount to?

5. In Lisgar constituency, how many still owe under the Soldier Settlement Act, and what is the total indebtedness in this case?

SERVICE PERSONNEL—PACIFIC PAY

Mr. BLACK (Cumberland):

1. Were members of the armed forces who were assigned duties, or volunteered, and served in the Pacific theatre of hostilities assured higher rates of pay than elsewhere?

2. On what date did such increased pay start, and is it still in effect?

3. What were the increased rates of pay for the different ranks?

4. Have some officers and men who served in the Pacific theatre been denied the higher rates? If so, why?

USE OF EXHIBITION BUILDINGS AND GROUNDS FOR WAR PURPOSES

Mr. BLACK (Cumberland):

1. What exhibition buildings and grounds were taken over by purchase, expropriation or rental by the government since the start of the war, stating where located and for what purpose?

2. What were the purchase prices or rental charges per year, and for what period stating date of commencement and date of termination of occupancy?

3. What was the total expenditure made by the government for or on each property for (a) enlargements; (b) improvements; (c) equipment, and does such revert to benefit of original owners?

4. What were the fire losses or other damages at each property while in possession of the government stating amount of insurance recovered and cost of renewing or replacing property in each instance?

WARTIME PRICES AND TRADE BOARD—LEGAL SERVICES

Mr. DIEFENBAKER:

1. How many lawyers in Alberta, Saskatchewan and Manitoba have received payments for services rendered, or fees, from the Wartime Prices and Trade Board since 1939?

2. What are their names, and how much has each received?

3. Are any balances due on accounts rendered? If so, to whom and how much?

CANTEEN FUNDS

Mr. COCKERAM:

1. What is the amount paid to the Regimental Funds Board for the credit of canteen funds since September 1, 1939 by (a) naval forces; (b) army; (c) air force; (d) Canadian Legion War Services, Knights of Columbus, Y.M.C.A., Salvation Army and from all other sources including donations?

2. How is this money invested, and what rate of interest is being earned?

3. For what purpose are the funds to be used?

4. Who are the members administering these funds at the present time, what is the number of their staff and what salaries are paid to them and to their staff?

RENTAL OF OFFICE SPACE IN VANCOUVER

Mr. SINCLAIR (Vancouver North):

1. What is the total area of office space rented in private buildings in the city of Vancouver by all federal government departments, crown companies, royal commissions, and any other such federal government agencies?

2. What is the total area of office space in the three government buildings on Fourth avenue west in the city of Vancouver, occupied during the war by the navy, army and air force?

3. How many veterans in the city of Vancouver have been unable to secure office space to resume their professional or business careers after discharge?

OFFICERS OF PERMANENT FORCE DISCHARGED WITHOUT PENSION

Mr. WINKLER:

1. How many officers of the permanent forces in (a) navy; (b) army; (c) air force, have been discharged since V-E day from the service without pension for (1) physical disability; (2) misconduct or inefficiency; (3) any other reason?

2. How many as above are pending?

FAMILY ALLOWANCES

Mr. COCKERAM:

1. What was the total cost of administration of the Family Allowances Act, 1944, for the first six months of its operation?

2. How many (a) temporary; (b) permanent employees of the federal government were employed in the administration of the act as of December 31, 1945, and how many are presently employed?

3. How many of such employees receive salaries (a) under $1,500; (b) from $1,500 to $2,500; (c) from $2,500 to $3,600; (d) above $3,600; (e) of $5,000 and over, and what was the total of wages or salaries paid from July 1, 1945 to December 31, 1945?

4. What is the name and duties of each person engaged in the administration of the act in receipt of $5,000 and over, and what is the amount of salary or other remuneration paid in each case?

5. What is the total annual rent paid or assessed (for bookkeeping purposes) for premises used in the administration of the Family Allowances Act?

6. What is the total amount spent for the purchase of premises used in the administration of the act?

7. How many investigators are employed under the act, and what number employed in each province?

8. What was the total cost of investigations for the first six months of operation of the act?

9. How much money was spent for advertising (a) by radio; (b) by newspapers and periodicals; (c) by mail, during the first six months of the operation of the act?

10. What was the total amount paid in family allowances during the first six months of the operation of the act?

11. How many families were in receipt of family allowances at the end of the first six months of the operation of the act?

12. How many families are presently in receipt of family allowances?

Mr. MARTIN: Order for return.

Mr. STIRLING: The answers are simple and apply to only one department. Why could this not be answered as a question?

Mr. MARTIN: It concerns two departments, the Department of National Health and Welfare and the Department of Public Works.

MOTIONS FOR PAPERS

POLYMER CORPORATION LIMITED

Mr. MURPHY:

For a copy of all contracts, agreements, letters and other documents in lieu of contracts written or entered into at any time since September 1, 1945, between the Polymer Corporation Limited and Imperial Oil Limited, and between the Polymer Corporation Limited and St. Clair Processing Corporation Limited, and between the Polymer Corporation Limited and Dow Chemical Company of Canada;

Also for a copy of all orders in council relating to Polymer Corporation Limited dated since September 1, 1945.

OWEN SOUND TRANSPORTATION COMPANIES

Mr. MURPHY:

For a copy of all correspondence, telegrams, reports, contracts and other documents from January 31, 1942 to May 1, 1946, exchanged between the Department of Transport or other government department and the Dominion Transportation Company and the Owen Sound Transportation Company.

Also a copy of all orders in council relating to the Dominion Transportation Company and the Owen Sound Transportation Company since January 31, 1942?

POLYMER CORPORATION—DOW CHEMICAL COMPANY

Mr. MURPHY:

For a copy of all contracts, agreements, letters and other documents in lieu of contracts, written or entered into at any time between January 1, 1942, and September 1, 1945, between the Polymer Corporation Limited, and Dow Chemical Company of Canada.

Also a copy of all orders in council relating to Dow Chemical Company of Canada dated since January 1, 1942.

GRANDVIEW, MAN., PUBLIC BUILDING

Mr. ZAPLITNY:

For a copy of all correspondence, telegrams, memoranda and other documents exchanged between the postmaster general's department or other government departments and any persons or organizations, from 1939 to date, in connection with the construction of a public building at Grandview, Manitoba.

INDIAN AFFAIRS

JOINT COMMITTEE TO CONSIDER AMENDMENTS TO ACT AND INDIAN ADMINISTRATION GENERALLY

Hon. J. A. GLEN (Minister of Mines and Resources) moved:

That a joint committee of the senate and house of commons be appointed to examine and consider the Indian Act, Chapter 98, R.S.C., 1927, and amendments thereto and to suggest such amendments as they may deem advisable, with authority to investigate and report upon Indian administration in general and, in particular, the following matters:

1. Treaty rights and obligations.
2. Band membership.
3. Liability of Indians to pay taxes.
4. Enfranchisement of Indians both voluntary and involuntary.
5. Eligibility of Indians to vote at dominion elections.
6. The encroachment of white persons on Indian reserves.
7. The operation of Indian day and residential schools.
8. And any other matter or thing pertaining to the social and economic status of Indians and their advancement, which, in the opinion of such a committee should be incorporated in the revised act.

[Mr. Murphy.]

That the following members be appointed to act on behalf of the House of Commons on the said joint committee, namely, Messrs. Arsenault, Blackmore, Brown, Brunelle, Bryce, Case, Castleden, Charlton, Farquhar, Gariepy, Gibson (Comox-Alberni), Glen, Harkness, Little, MacNicol, MacLean, Matthews (Brandon), Raymond (Wright), Reid, Richard (Gloucester), Stanfield, Stirling.

That a message be sent to the senate requesting their honours to appoint senators to act as members of the senate on the said special joint committee.

That the said committee have power to appoint from its members such subcommittees as may be deemed advisable or necessary to deal with specific phases of the problem aforesaid with power to call for persons, papers and records, to examine witnesses under oath and to print such materials from day to day as may be ordered by the committee for the use of the committee and members of the House of Commons and the Senate.

That the said committee shall report from time to time and that the provisions of standing order 65 limiting the number of members on special committees be suspended in relation thereto and that a message be sent to the Senate to acquaint their honours therewith.

He said: The motion before the house in a very real sense is self-explanatory. It represents the initial step toward a review by a committee of parliament of the legislation relating to the administration of Indian affairs, usually referred to as the Indian Act. It is, in the judgment of the government, highly desirable, one might almost say imperative, before a revision of the Indian Act is undertaken, certainly before the revised act is submitted to the house, that existing legislation, together with amendments that may be deemed necessary, be carefully studied not only from the point of view of the government and the taxpayer, but also from the point of view of the Indian, and in the light of his present-day needs.

Requests—I might almost say, demands—for this inquiry have come to us from representative groups of Indians, from church authorities, and from groups of citizens who over a period of years have displayed an active interest in the advancement of the Indian population of this country. It was at first suggested that a royal commission be appointed to investigate and report upon Indian treaty rights, the taxation of Indians employed off reserves, the right of the Indian to have representation in parliament, the Indian educational system, and a number of other matters. While the government from the outset conceded that the revision of the act was overdue and that the requests for an inquiry were not unreasonable, it was not an easy matter to decide on the exact procedure that would be likely to bring about the best results.

As I intimated to the house at the last session, I had at that time an open mind on the question as to whether a royal commission or a committee of parliament would serve best the purpose we had in mind. May I remind the house that the welfare of the Indian is the sole responsibility of the federal government. It is not a responsibility shared by the government with the provinces. This expression of opinion applies particularly to the enactment of legislation relating to Indian affairs.

After careful consideration the government reached the decision that a committee such as the one now proposed is in strict conformity with sound parliamentary practice. The task of undertaking a thorough undertaking of the Indian and his needs is, in our judgment, a definite responsibility of parliament and one that we should not seek to evade.

It is not my intention to enter into a lengthy discussion of the resolution before us at this stage. The terms of reference, if I may refer to them as such, are not designed to restrict in any way the scope or the character of the inquiry. They are presented in the form in which they appear rather for the purpose of emphasis. It is the desire of the government that the work of the committee should be as thorough, as comprehensive and as searching as it is possible to make it. With this thought in mind we shall do everything possible to have Indians and responsible citizens representing Indians appear as witnesses. We are not only willing but anxious to have the best counsel and advice that can be obtained from Indians and from citizens who will make respresentations on their behalf.

When I took part in the discussion of a motion to grant old age pensions to Indians at the last session I expressed the opinion that the dissatisfaction which appeared to exist among Indians was in the main attributable to certain causes which are readily ascertainable. May I be permitted to summarize what I said at the time?

I would not be fair to the house, however, if I sought to create an impression that any difficulties which exist in the administration of Indian affairs were due in whole or even in part to our lack of information as a government on existing conditions among the Indians. I am rather convinced that the measure of economy insisted upon by the Canadian taxpayer from 1929 to the outbreak of war, the demands of the war itself, more rigid enforcement on the part of provincial governments of laws relating to hunting, trapping and fishing, and the gradual encroachment of white citizens into areas where lands, although the property of the provinces, nominally at least had been recognized as exclusive Indian hunting and trapping areas, in the main have contributed to the conditions now confronting us. In any event the need for a comprehensive programme based on the immediate and future needs of the Indian population is becoming increasingly apparent.

The return of the natural resources to the prairie provinces and the administration of the lands by the provincial governments for which provision was made in the terms of the agreements entered into at that time, imposed greater restrictions on a number of Indians engaged in hunting and trapping. The house will be interested to learn that prior to the return of the natural resources to the provinces, a survey in 1939 indicated that over 30,000 licences were issued to white trappers in that year throughout the various provinces and territories, excluding the maritimes, while not more than 15,000 licences had been granted to Indian trappers. The fact is that as the population of the country steadily increases, and the demands on the part of the citizens for land and other rights multiply, the Indian becomes subject to keener competition in fields of endeavour where for centuries he enjoyed a virtual monopoly.

It would appear that we have reached a stage in our development as a nation when economic conditions will force us to do one of two things: (1) purchase at public expense the additional lands and additional hunting and trapping rights for an Indian population of 128,000, increasing at the rate of 1,500 a year; or, (2) decide on an educational and welfare programme that will fit and equip the Indian to enter into competition with the white man not only in hunting and trapping but in agriculture and in the industrial life of the nation. While I have no desire to indulge in over-simplification; while I realize that there are many issues involved in the proposal before us, nevertheless I feel that we have here the crux of what is usually referred to as the Indian problem. I find it difficult to convince myself that an extending Indian reserve system, imposing controls and wardships and reducing Indian responsibility to the minimum, would be or could be in the interests of these people.

The educational and welfare programme to which I have referred cannot, in the nature of things, accomplish much overnight. Nor should it be aimed at making the Indian into a white man. The Indian, as I see it, should retain and develop many of his native characteristics, and should ultimately assume the full rights and responsibilities of democratic citizenship.

I should like, with your permission, to read into the record for the benefit of the members of the committee particularly, a brief historical summary of Indian administration in this country.

Since the inception of British rule in North America the Indians have been regarded as a special and separate responsibility of government. From the time of the first British settlements in New England the title of the Indians to lands occupied by them was conceded and compensation was made to them for the surrender of their hunting grounds. The crown has always reserved to itself the exclusive right to treat with the Indians for the surrender of their lands, and this rule, confirmed by the royal proclamation of October 7, 1763, is still adhered to. In 1670, during the reign of Charles II, instructions were given to the governors of the colonies which, among other matters, directed that Indians who desired to place themselves under British rule should be well received and protected. There are still of record numerous agreements and treaties, dating back as far as the year 1664, made by the British with the Indians of New England, while Canada was still under French government. Later it was found necessary to establish an office devoted solely to the administration of Indian affairs, and in 1755 Sir William Johnson was appointed Indian superintendent with headquarters in the Mohawk valley country of the Six Nations confederacy in what is now the state of New York. Following the revolution, the office was removed to Canada and the title of the position was changed to superintendent general of Indian affairs. From that time on a continuing administrative organization has been maintained for the protection and advancement of the Indian population. At the end of the eighteenth and the beginning of the nineteenth century the department was divided. The office of the superintendent general and the secretary of the department was established in Montreal, and that of the deupty superintendent general and assistant secretary, at Fort George, Niagara; and by a general order of May 13, 1816, the management of Indian affairs was placed under the control of the commander of the forces in the British North American provinces.

By another general order of April 13, 1830, the management of Indian affairs in Upper Canada was placed under Sir John Colborne, lieutenant governor for that province, while that in Lower Canada remained under military control. In 1830, by order of His Majesty's government, the Indian department in Upper Canada was separated from that of Lower Canada, the former being placed under His Excellency Sir John Colborne, with Colonel Sir James Givins as chief superintendent for the province. The department in Lower Canada was placed under the control of the military secretary at Quebec who at that time was Lieutenant Colonel Couper, and Lieutenant Colonel D. C. Napier was removed to the military secretary's office to act as secretary, with the pay and allowances of superintendent.

After the Act of Union of 1840, the head office of the Department of Indian Affairs, now united, continued to be at the seat of government, which under the old province of Canada was moved from one place to another. Until 1860 the imperial government was responsible for the management and expense of Indian affairs, but in that year it was decided that the province of Canada should assume this charge. By the act 23 Victoria, chapter 151, entitled "An Act respecting the management of the Indian lands and property", the management of Indian affairs was brought under the control of the Crown Lands Department from July 1, 1860, the commissioner of crown lands being from that date chief superintendent of Indian affairs.

After confederation the administration of Indian affairs, which had been under the management of the several provinces, came under the control of the Dominion of Canada, by the British North America Act, "powers of the parliament", dominion, section 91, subsection 24, "Indians, and Lands Reserved for the Indians". Pursuant to this authority the dominion parliament enacted various legislation concerning Indians, which was first consolidated in a single act, as it still is, in 1876.

Immediately following confederation, Indian Affairs was attached to the Department of the Secretary of State, and in 1873, when the Department of the Interior was created, Indian Affairs was attached to it as the Indian branch. In 1880 the Indian Act was again consolidated, and it was provided, section 4:

> There shall be a department of the civil service of Canada to be called the Department of Indian Affairs, over which the superintendent general of Indian affairs shall preside.

Chapter 28, 43, Victoria, 1880. Accordingly, Indian Affairs became a separate department and remained so until December 1, 1936, when by the mines and resources act it became the Indian Affairs branch of the newly-created Department of Mines and Resources. It is interesting to note that when the department of Indian Affairs was created in 1880 it comprised twenty-three officers at headquarters and one hundred in the field. To-day the Indian Affairs branch has a staff of about 70 at headquarters and 700 in the field. In addition, there is the Indian health service recently transferred to the Department of National Health and Welfare. These services employ a

staff of approximately 600, including physicians, nurses, and other employees, with sixteen hospitals.

In 1880 the total expenditure from parliamentary vote for Indians was, in round figures, $500,000. During the fiscal year ended March 31, 1945—last year—it was, exclusive of family allowance payments, approximately $6,000,000. This growth in personnel and expenditures represents increased and extended services to the Indians.

There are at present 2,000 Indian reserves, varying in size from a few acres to five hundred square miles. The group unit of Indian population is the "band", which means a body of Indians having lands or funds in common held in trust for them by the crown. There are six hundred of these bands, varying in size from a single family to more than 5,000 souls.

The unit of field administration is the Indian agency in charge of a resident local official, the Indian agent. At this date there are ninety-eight of these agencies. Closely connected with the Indian agency organization is the Indian school system, comprising 75 residential and 258 Indian day schools. These are operated by the department in conjunction with the leading religious denominations. At many of the agencies there are farming instructors, and in a number of localities the Indians receive supervision in specialized pursuits such as fur development projects, handicrafts and other activities.

The house will be interested and perhaps a little surprised to learn that the Indian Act of 1880, with amendments made from time to time, is still in effect. It has not been the subject of a general revision since that year. The basis of this act, or indeed of all Indian legislation and policy under British government in North America, is the special protection of the Indian in his person, his property, his advancement and his general well-being. The Indian is subject to certain restrictions but enjoys a measure of local self-government under the act. Those who do not wish to remain under Indian status may, on their own application if found qualified, be enfranchised by the governor in council, whereupon they cease to be Indians under the law and acquire full citizenship.

In passing, I may say that many Indians are taking advantage of that provision. Only last Tuesday I signed fifteen orders enfranchising Indians.

Mr. SENN: Is the act of 1880, together with subsequent amendments, consolidated?

Mr. GLEN: Yes. We have it here; it is consolidated for office purposes only. All the provisions of the act together with the amendments are here. A rough draft of the revised act will be submitted to the committee during the course of its deliberations. This rough draft represents an attempt on the part of the officials of the Indian Affairs branch to bring existing legislation more into accord with the needs of the Indians and present-day tendencies. I am personally of the opinion, however, that before the draft is considered the committee will wish to hear a comparatively large number of witnesses who will be anxious to make representations and express points of view. The task is assuredly not an easy one. If approached in the right spirit, however, as I am sure it will be, the results should be gratifying and encouraging to the white citizen and the Indian alike.

Finally, let me say that while a great deal of criticism has been directed against Indian administration during the last twenty-five years or so, there is a brighter side to this picture, the significance of which should not be overlooked. In numbers the race is increasing; in educational effort the Indian is developing, slowly perhaps, but nevertheless developing toward a better acquaintance with the ways of the white race. His blood is becoming steadily more mixed, which, in fact, points toward ultimate assimilation. It is possible, in my judgment, to say that too much emphasis has been frequently placed upon the fancied injustice of requiring the Indian to conform to changing conditions. In the last analysis it is both just and expedient to help the Indian to adjust himself to these conditions. It is neither necessary nor merciful in the long run to encourage him perpetually to continue in a state of backwardness or semi-backwardness. Nevertheless, as I have already indicated, the process of assimilation cannot be unduly hurried, nor must it be rushed. Time, we are told, heals all wounds, and in this healing process the scars of race tension, conflict and misunderstanding will, I feel sure, disappear.

Judging by the expressions of opinion that have been given not only in this house but all over the country, showing an interest in Indian affairs, I am sure the house will agree that this resolution is the first step to be taken, namely, the appointment of a joint committee of the House of Commons and the Senate. In that committee, which will have the revised amendments suggested by the Indian Affairs branch, and where witnesses from all over the country who may desire to express opinions and give information to the

committee, will be heard, I am satisfied that the work, which seems momentous in the beginning may prove not so difficult in the end. I believe that out of this committee will come legislation and suggestions in administration which will help the development of the Indian, which I am sure is the desire of the house. For that reason I am moving this motion, hoping that the house will see fit to pass it and that the committee will be set up accordingly.

Mr. J. R. MacNICOL (Davenport): As one who for many years has been interested in the study of Indian affairs and of all that pertains to the advancement of the Indian, I rise not to delay but to support the principles of the resolution as enunciated by the minister. I believe that the present minister is the first minister who has planned to inquire in a big way into every possible means of improving the whole Indian picture in Canada. With that objective of the minister—and I am sure in this I am speaking for other hon. members of this house—I am in hearty accord.

I have often wondered why it was that the Indians of Canada, who have been so long under the control of the white man, have not advanced as rapidly as have the Maoris of New Zealand and even the coloured races in South Africa. In New Zealand the Maoris now have a number of representatives in the parliament of that country, and the same is true of South Africa. I am not sure whether the coloured people of South Africa themselves sit in the South African parliament. My memory is that they elect white people to represent them in parliament, and that these white representatives of the South African coloured races speak for them. For that reason I have wondered why our so-called coloured native race—they are of a reddish or copper colour—have not advanced as far as the native races of the countries to which I have just referred. They have long been under the control of the white man. First they were under the control of the British—I am now speaking of the British in New York—under Sir William Johnson, the great administrator, and later under his son, Sir John Johnson. In Canada I believe Sir John Johnson was the first Indian administrator. If I may interject a suggestion I should like the minister to go down to Williamstown in the county of Glengarry some day where the first Indian administration house was built by Sir John Johnson. His house is still standing. It has passed out of the hands of the Johnson family, but I think it would be a fine gesture on Canada's part to purchase Sir John Johnson's old house, if it is for sale, and set it up as a museum of Indian relics in that part of Canada.

As I said at the beginning, I have been intensely interested in Indian affairs over a long period of time. My interest has necessitated some travel and impelled me to visit many reservations. In the course of these journeys to the reservations I would first seek out the chief of the immediate band or branch on whose reservation I then was to ascertain from him all I could and to inquire into what improvements could be made in Indian administration. From what the minister has said, I have no doubt that he intends to call to the committee the main chiefs, or those who represent them, of the various bands.

I myself have paid many visits to the Six Nations in the riding of the hon. member for Brant (Mr. Charlton) and that of the hon. member for Haldimand (Mr. Senn). In those ridings are the remnants of the famous Six Nations. I am not just sure how many of the branches came to Brant and Haldimand, but certainly the Mohawks did. The Oneidas did and the Muncies went a little farther west in the county of Elgin and are still there. The Delawares were not of the Six Nations. They settled further west at Moraviantown in Kent. I believe there are Senecas, Oneidas, Onondagas and Mohawks in Brant. They were of the famous Iroquois tribe.

I hope that the outcome of the committee's investigation will result in a much greater advancement of Indian life along the line, economically, educationally and in a business way, so that we as a parliament may be the means of stepping them up to a much higher level than they occupy to-day. In my travels I have found a great difference as between various reserves in the advancement of the Indian tribes. As far as I recall, the Iroquois in Brant and Haldimand are perhaps more advanced than any other Indians in Canada, though it may be that some of the tribes in Prince Edward Island, New Brunswick and Nova Scotia have also made considerable advances, because they have been long associated with white men. If we compare what they have achieved with what has been achieved by members of the coloured race who have come to Canada, principally from Jamaica and the southern United States, we have to admit that the coloured race have most assuredly achieved a very great deal in every walk of life. The Indians also have achieved something—although I observe from what the minister has said, not as much as he would like to see.

In this investigation I am quite sure all hon. members of this house, including those serving on the committee, will use their best judgment and seek the best possible advice to draw up recommendations designed to advance the status of our Indians all along the line. I am not going to enter into a detailed discussion at the moment, because I do not think it is necessary. I could say a great deal about the Indians, but that can be done in committee, and if I said very much now I would simply repeat it in the committee later. I feel that I have done my duty by merely rising to support this proposal for the betterment of our Indians. It is high time we did something of this kind; in fact the time is long past when this should have been done. I am not blaming anyone. Having been here for seventeen years I know that almost invariably the Indian estimates come up in the last few hours of a session and are carried so rapidly that nothing can be said to advance the welfare of the Indians, with the exception of perhaps one or two of the principal speeches. So after this investigation is completed I hope much may be done for these native people.

Many Indian chiefs have given me their views on these matters. I have spoken to them all over Canada, as far north as at Arctic Red river; at lake Athabasca; the Norman Indians near where Norman Wells is now; the Stoneys in Alberta; the Fairford River Indians in northern Manitoba, and the Moose Lake Indians, also in northern Manitoba. Perhaps I should not have mentioned any particular bands at all, but now that I have done so I should mention the Blackfeet Indians; and in the tribe in the riding of the hon. member for Lethbridge, right in his home town of Cardston, I met some chiefs of this band, whose name always slips my mind.

Mr. BLACKMORE: The Bloods.

Mr. MacNICOL: That is it. I asked the chief why they called themselves the Bloods, and he replied, "Well, you know when a rich man has a son he is called a young blood. A man who owns a fast race horse calls it a blood. We are an up and coming band of Indians, so we call ourselves the Bloods." That was his explanation as to how they got that name. It would be interesting, I believe, to ascertain the origin of all these Indian names.

Now, Mr. Speaker, following the example of the minister in proposing this resolution, I merely wish to repeat that I am heartily in accord with the proposal and sincerely hope that it will result in a great advancement of the Indians all along the line so that they may take their place among the white men who owe so much to them. We have taken away so much from them that we should try our best to advance their interests now. We might even consider having representatives of the Indians sitting in this house, just as the Maoris have in New Zealand. That is something which should be kept in mind in this connection.

Mr. MAX CAMPBELL (The Battlefords): First I should like to congratulate the minister, who is new in this department and who I think is tackling this job in a way that should bring success. I am glad he is setting up this committee to give all the members of the House of Commons an opportunity to help in the revision of the whole Indian Act. It is a big job, and I think those who have made any study whatever of the Indian problem will realize what a tremendous task lies ahead. For instance, the committee has to revise treaty rights and obligations. The treaties alone require a tremendous amount of study. The committee also will have to consider band membership, the liability of Indians, the encroachment of white persons on Indian reserves, and so on. During the last few months I have done quite a lot of reading on the history of the Indians, and I find that the whole story of the treatment of the Indians by the white men has been one of exploitation all the way through. Not long ago I was talking to an Indian, who said, "The white man is very greedy. He grabs this and he grabs that," and that is so. Whenever the Indians had a reserve that included good farm land, the white man found a way of getting them to take inferior land, and it has been the same with timber. There were good timber berths on some of the Indian lands, and the white man found ways and means of getting the Indians to give up that timber. So I say it will be a tremendous job to look through these old treaties and old deeds of gift to find out just what the Indians have had to put up with.

I rise to-day more particularly to give the committee a little encouragement. I know some people have said the Indian is no good, that you cannot make anything out of him. During the Easter recess I had an opportunity to go to the Six Nations Indian reserve just south of Brantford, and I would not have missed that trip for anything. There I found very highly civilized, well-educated, cultured Indians, and I want to say something about some of the things I saw. In the first place I believe the whole reserve would average up pretty well as a farming community with any community of white people. They have eleven day-schools on this reserve. All the teachers are Indians, most of whom were educated on the reserve and who then went on further

with their education. They have fourteen Indian teachers teaching the Indian children. I looked at their work and spoke to one of the teachers, and I believe the work those children were doing would compare favourably with the work done in any of the white schools. They have their own agricultural society. They have a very neat little town, Oshweken, on the outskirts of which they have their own agricultural grounds. Those grounds are neat, as everything else in connection with that reserve is neat. When you enter the agricultural grounds you go through a double arch gate, and inside to the right you find a recreation hall. I think these Indian teachers have done a wonderful work in preparing the young people of the reservation for citizenship. The recreation hall is large enough to permit the playing of basketball and softball. The young people meet twice a week and they can play these games. They are taught archery and many other things. They even have an orchestra of eighteen or twenty pieces, and also several small bands. They have a seed cleaning plant which is capable of cleaning all the seed used on the reservation.

I asked them how they were making out as far as higher education was concerned and they told me that in a number of the schools they teach first year high school but that quite a number have gone on to take higher education. I asked how many had entered the professions and they gave me a list. There is a Doctor T. J. Jamieson who is practising medicine at the present time in Detroit. Doctor F. A. Johnson is an eye specialist in Akron, Ohio. D. J. Smith, B.S.A., is in New Zealand. Doctor E. Jamieson is a science teacher in North Toronto collegiate. Doctor T. A. Miller is a homeopath specialist in tuberculosis. A lawyer named Norman Lickers is practising in Brantford. A very interesting person is Doctor Minnie S. Buerk. Doctor Buerk first graduated in Canada as a nurse. She went to the United States and married a doctor in Detroit. About a year and a half later her husband died, and she then went to the university there and took a course in medicine. She is now practising in Detroit. Another interesting person of whom I heard was a girl who had also graduated as a nurse in Canada. She went to the United States and was employed to take care of a sub-normal son of the Sears family—the Sears-Roebuck people. This boy could hardly speak and had little use of his hands. This girl taught the boy not only to speak, but also to read and write and how to use his hands. Eventually she married one of the members of the Sears family.

[Mr. Campbell.]

Three parsons graduated from these schools, one of them Reverend Jeno Porter, who broadcasts every Sunday from Brantford. I think it would be very interesting for any hon. member who happened to be in that vicinity to visit this reserve. It is an illuminating illustration of what can be done with the Indians. As I said before, some people have an idea that you cannot make anything out of an Indian. I admit that at times it may seem a big job, but there is no doubt that there are individuals on every reserve who have the capacity to learn, and they should be given every opportunity to get an education.

We have slipped up badly in the education of our Indians. Many of the reserves depend entirely upon residential schools. I have nothing against the residential school, because I know it is doing a lot of good work, but a large percentage of the children on some of the reserves do not go to school because there are no day schools. Last winter, speaking to a band of Indians, I told them that the Indians themselves must accept some of the responsibility of educating their people. I told them that they would have to do what the white people were doing, that is, have compulsory education so that their children would have to go to school.

I think we shall have to get the cooperation of the Indians before we can make much headway with their education. I suggest to the minister that when he is choosing men who are to be agents or teachers, he should not select them in a haphazard manner. They should be chosen for their special qualifications, and the main qualification should be an understanding of the Indian and an ability to get the Indian to cooperate with them.

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, I am entirely in favour of the terms and implications of this resolution, and I wish to compliment the Minister of Mines and Resources (Mr. Glen) upon having brought the matter up for discussion in the House of Commons. I believe a similar discussion was originated last year by a private member's resolution, and some hon. members were afraid that the question might be left in abeyance. We are glad indeed to see this demonstration of the alertness of the minister and his department.

I am glad that the resolution calls for the setting up of a committee of members of parliament rather than a royal commission. I am not against royal commissions as such; often they have done splendid work, but in dealing with a question of this kind, in which departments of government are directly

concerned and in connection with which there is no legal point involved, I believe the best procedure is to set up a committee composed of members of parliament.

If you read the names of the hon. members comprising the committee you will see that they come from every part of Canada. Many of them are familiar not only with their own local Indian problems but also with problems affecting Indians generally across the country. Again I should like to compliment the minister upon having taken action for the appointment of the committee. Royal commissions have done good work in the past, but if we are to reach practical conclusions I do not think there is any better way of doing so under our parliamentary system than to set up a committee of this kind.

I may be a little disappointed personally because I have not been named as a member of the committee, but even though I had been named it might have been impossible for me to attend its sessions, because I hope that the external affairs committee will soon begin to sit and I expect to be quite busy there; besides I have to attend other committees.

I happen to represent a section of the country which takes in the James Bay area in which there is a large Indian population. There are local problems to be faced, and there are problems national in character. I know that all of them will be dealt with by this committee in a proper and practical way.

The committee should not be satisfied with sitting in Ottawa only. Although it might take a lot of time, I think the committee should visit the different centres of Indian population from the Atlantic to the Pacific—and I am referring particularly to my own section. I hope the committee will find it possible to visit the Indian population at Moosonee, Moose Factory, Fort George and Fort Albany. I realize that the Indian Affairs branch has been giving a good deal of attention to these problems and spending considerable money, with fruitful results, but I think it would be worth while if the members of the committee could visit the Indians. It might cost a little more, but it would be money well spent.

I would not for a moment attempt to dictate or give direction to the chairman or members of the committee, but I do hope that my suggestion in this regard will be implemented. It would be a wonderful way to get to the root of the problem. I was greatly enlightened, although I had thought I knew something about the Indian problem, by the speeches of hon. members of the C.C.F. and Progressive Conservative parties on this subject in present and past sessions. The member for Comox-Alberni gave a most interesting account of the Indian people, describing their fine qualities and festivities and customs, which I am sure were a revelation not only to the members of parliament but to the people of Canada generally.

I hope that the committee will visit every section of our Indian population and will consider the Indian problem not only in itself but also as it is related to Canada as a whole. The committee will have a lot of work to do. I think it will be impossible for them to make a final report this year, but I am sure that the work they do will be well received not only by parliament but by the whole country. It will take much time and involve personal sacrifices. I do not mean that the members should pay their travelling expenses. For a number of years before I was Deputy Speaker of the house I was a member of the war expenditures committee, and when it was first mooted that the committee would travel I thought that the expenses should be borne by the individual members. But it did not take me very long to see that that would be unfair to members of parliament, and so I hope that the principle followed in that case will apply to this committee, because it will have to cover a good deal of territory. The members of the committee may have to go to the Yukon and the northwest territories. They may have to go to the habitats of the Eskimo. Certainly they will have to visit the northern section of my part of the country in order to study the actual conditions on the ground.

It is said that the Indians, generally speaking, do not mix with the white population. That does not hold true of my part of the country. I know many full-blooded Indians who do mix with the white population, and to their benefit. I know full-blooded Indians who are succeeding in the professions, and I hope that the educational system for the Indians will make it possible for them to become scientific agriculturists, technicians and craftsmen of various kinds. Some of the Indians are excellent doctors, and others good dentists. It would not be doing justice to the Indians, with all their natural talents, to keep them on their reserves and expect them always to earn their living by hunting and trapping. Many of the younger men have gone into the outside world, particularly those who have enlisted or attended our public and high schools. They are proud of the calling of their forefathers, but their horizons have widened and many of them have become enterprising co-citizens of the white popula-

tion in our section of the country. I am convinced, however, that contact with the white man has not often been of benefit to the Indians. It has disturbed, in many, their way of living, and means must be found of maintaining the integrity of the Indians' own habitat.

The Ontario government about eight years ago set aside a large section of territory south of James bay, embracing thousands of square miles where the timber is not very heavy, to develop beaver, otter and mink. I have been told that ten or twelve years from now there will be sufficient of that wild game in that territory to give a living to at least ten thousand Indians, and some of the white population too. A scheme of that kind should be enlarged, and I hope the committee will find it possible to recommend the setting aside of thousands of square miles which should be left entirely to the Indians where they can make a living by hunting and trapping. To that they are entitled, and they should be assisted and encouraged by a scheme of that sort. The time has arrived when the demarcation line should be withdrawn between federal and provincial activities and when schemes such as I have mentioned should be instituted in many sections of northern Canada. I am an optimist by nature. I implicitly believe in our wonderful country and its future. As we have heard many times on the floor of the house, and read in the press, it is a land with wide open spaces, no doubt designed by Providence to remain as such for all time to come. Nevertheless there are ways of raising the standards of the Indians and providing them with fruitful employment, and one industry to which they are peculiarly adapted is fur raising. The furs we produce in the northern section of Canada command a premium in the world market. Any fur coming from my section of the country, from around James bay or Hudson bay, whether it be white fox, otter, beaver or mink, commands a higher price than furs from any other part of the world except northern Russia. A scheme such as the Ontario government has started for the raising of these fur-bearing animals will not only be helpful to the Indians in providing them with employment and a living, but in time to come will be of benefit to the provincial and federal treasuries as well. The scheme will not run into millions of dollars but into hundreds of thousands, and in a few years will be self-sustaining. I should like to see the committee recommend the setting aside and helping the development of areas on the shores of Hudson bay and James bay and across northern Ontario, Quebec and Manitoba such as the Ontario government has started.

There is one other thing I should like to mention. On account of the great distances, the Indians often are deprived of hospital accommodation for days and weeks, and I was therefore glad to see the other day that an air line was to be established from Moosonee to Cochrane, Timmins and Haileybury. That will help to relieve the situation, because these poor Indians follow their trap lines at the risk of life and limb and have to face all the hazards of climate. Tuberculosis is rampant among them, and sanitary conditions are not always what they should be. Often a sore will develop into cancer or some other disease, and so there must be rapid transit to bring those who need it out to civilization for prompt medical attention.

I do not know whether my information is correct, but I have been told that it is the intention of the government to build a large hospital in the James bay section. I believe it was in the year 1928 that I had the good fortune to see an Indian hospital built next to the municipal hospital in Cochrane. It gave fine service to the Indian population. They came to it from the east and west on the transcontinental line, and also from the north and south of our section; but after a number of years the Indian department decided, I believe seven years ago, to close that institution and turn it over to our own hospital. The service was maintained in the same way except that the local hospital was paid so much per patient. But that has not given the necessary service to the Indians. I do not know how correct my information is, but I understand that the department intends to build a fairly large hospital at Moosonee or Moose Factory. I have no right to dictate to the department, but speaking as one who knows the local and regional situation I fervently hope it will be found possible for the department to build that hospital in Cochrane. I am not speaking from the point of view of home politics. The question is away above any political considerations, and I commend the hon. members who have spoken for avoiding political criticisms. But my advice is based on several reasons. First, a large section of our Indian population starts from the shores of the Hudson bay and spreads as far as Amos on the Transcontinental. We have a large section in Matagami that spend most of their summer there, and also at Algoma and west to the town of Hearst on the Canadian National. I know the question comes to mind, what

will become of the Indians of the Hudson bay and James bay sections? It may be found necessary in order to give the best service to that area to have an air service from the Moose bay section and Fort George to that hospital in Cochrane.

I am leaving these thoughts for thorough study and consideration by the minister and officials of his department. They have always been receptive of any practical suggestions I have placed before them, and I know that the permanent heads of this department and the ministers themselves have always wanted to play fair with this class of our population.

While Canada may not have done for the Indians all that we could have wished her to do, she has done better than most other countries. At least we consider them as human beings; the policy has not been one of extermination, but of preservation, of advancement, and of trying to do the best we could with them.

There are two matters referred to in the motion which I should like briefly to mention. First, section 5, eligibility of Indians to vote at dominion elections. Personally I believe that the vote should be accorded to our Indian population. If it were necessary that any citizens in order to vote should have an intelligence test, I am convinced that ninety-five if not ninety-nine per cent of our Indian population could pass that test. For our Indians to hew a living out of the northern sections of our country in districts like the Hudson bay and James bay, to face the climatic conditions involved in fur trapping, and successfully carry on that pursuit, requires much enterprise, initiative, courage and intelligence. The election act as it stands is a baffling piece of legislation. It is perfectly right, no doubt, that the franchise should be extended to Indians who enlisted in world wars I and II, and to their families, but you would be surprised at the reaction of the average Indian when he sees that one of his relatives has the right to vote but that he is denied the vote because, although he wished to do so, for some reason he was unable to enlist. I hope this anomaly will be rectified, because I do not believe in making distinctions between various classes of people. If you allow one section to vote and debar another section, you invite and are bound to have criticisms which are entirely warranted.

I would refer also to paragraph 6, the encroachment of white persons on Indian reserves, I hope members of the committee will study this question thoroughly. No doubt our civilization and the work of our missionaries have brought much blessing to the Indian population, but at times there is also resentment in the hearts of many Indians at the hardships which have been caused them by a few so-called white people—white in name only, not in respect of their behaviour and conduct to the Indian people. The law could be so defined that the Indians shall have exclusive rights in most parts of their own territory, and they shall be protected from any depredation or violation of the things they cherish. After all, they have maintained their own civilization, their own way of living, and all of us who have any acquaintance with them know how sincere and honest they are. Anyone who has hunted in my own section will have seen along the trails some caches containing meat, and Indian after Indian will tell you that never under any circumstances, unless threatened with starvation, has a single pound of that meat been stolen by the Indians themselves. They would rather suffer than take food which has been placed there for the use of people in need of it. They have some wonderful qualities; they have also resentment in their hearts at the depredations and the temptations which they have suffered at the hands of people who are bent upon exploiting them. At this point, as one who knows something of the activities of the Hudson's Bay company and Révillon Frères, may I say that if you go to the Hudson bay—where Révillon Frères are not located at this time—you will see people at the head of those posts working with the Indians, playing the game with them in every way. But sometimes outsiders disturb the peace of mind of the Indians and rob them of the fruits of their activities.

I wish again to compliment the minister upon having presented this motion. I know that splendid and lasting results will be accomplished. We do not need to be impatient. It is a complex question, and it shows the fine spirit of our parliament that, in a matter in which, perhaps, very few votes are involved, there is not one of us but who, for reasons of humanitarianism, wants to relieve these people of sickness and suffering, to remedy the lack of hospitalization and provide proper education and a place in our national life. When it comes to craftsmanship and education, the department has done wonderful work. Modern methods of trapping, fishing and knitting are taught to our Indians. So the situation at the present time is not bad, but, in the words of the minister, it can be improved. In trying to do this through the work of the committee, pursuant to the directive given by the minister himself, I am positive that our country, which can be proud

to some extent of its past record in dealing with the Indian population, will have even more reason for pride when the recommendations of the committee now being formed have been implemented.

Mr. J. H. BLACKMORE (Lethbridge): May I congratulate the minister at the outset upon bringing in this motion, and may I also congratulate him on being the first minister for a good many years who has taken enough interest in this particular branch of his department to desire a thorough housecleaning. However good may be the record of the Indian department—and I think all must concede that it has many good qualities—there certainly must be room for improvement. The minister has adopted one of the means of determining what might be that room for improvement and what measures might appropriately be undertaken to effect the necessary changes. Out in my territory the people feel that there should have been a royal commission instead of a parliamentary committee, and a good many reasons have been advanced for this. The fine programme which the member for Cochrane (Mr. Bradette) outlined for this committee's activities would indicate that probably the committee will be called upon to do such an excellent, such a thorough job as might leave no real demand for a commission. We might be able to do all the work that a commission could do. But those in my territory who advocate a commission point to the fact that the members of a committee of parliament, no matter how wisely that committee may be chosen, will hardly have representatives of the Indians themselves on the personnel of the organization. They feel that certainly there should have been Indian organizations represented, and if we had had a royal commission it would have been a simple matter to include among the personnel several outstanding chiefs and leaders across the country. They point out that it will be exceedingly difficult for a House of Commons committee to do the necessary travelling.

I was almost alarmed at the picture which the member for Cochrane painted. I am wondering how we are going to take care of all the work that requires to be done here and at the same time do the travelling which that member has outlined for us. However, I am certainly in favour of doing everything possible to ensure a thorough job on this question.

I believe we should see what the different tribes do, the conditions under which they live. My own limited experience with Indians has shown me that the conditions under which they live vary widely from tribe to tribe. Consequently it looks to me as if, unless we see a good many of them in their living conditions, it will be difficult for us to be realistic in any decision we arrive at.

It is not going to be possible for us to hear all the witnesses we ought to hear unless we do a good deal of travelling. This would argue the advisability of having a royal commission rather than a parliamentary committee. The expenses would probably have been less if we had had a royal commission. I am not prepared at the moment to pronounce on that whole question. The thoroughness with which we go into the task will require, I believe, more than a parliamentary committee will be able to rise to.

I do not want to be dubious about the matter, but this has given us one of the reasons why there should have been a royal commission. Everyone suspects a parliamentary committee of having a certain amount of party bias, no matter how well the committee may do its work—at any rate everyone does outside parliament. If we had a royal commission, however, it would be possible to remove all suspicion of anything like party bias in dealing with the question.

We must grant, I believe, that there is a good deal of room for improvement. The Indians in my constituency, in the Blood Indian reserve, read the fine remarks made with reference to Indians being wards of the nation, and they laugh a mirthless laugh. They fail to see how the treatment that has been accorded them can in any way justify the expression "wards of the nation". They feel that they have had to do things in the hard way, and quite often it has been a case "root hog, or die", and they felt that they were close to dying.

There are several sections of the Indian act which the people in my area feel should be improved. They are of the opinion that section 18 should be amended. I will not go into details to show in what respect it should be amended, but the idea is that there is too much dictatorial power exercised in the enforcement of that section. The Indians believe that the chiefs and counsellors ought to have adequate pay. Not very long ago several chiefs were in my home from the Blood Indian reserve and were pointing out to me what an expensive business it was being a chief or a counsellor, how far they had to travel on the reserve to hear the problems they were called upon to decide. One of them said to me, "You member of parliament and it cost you a lot of money to travel; I chief and I get no money but I have to travel too." That I felt was a sound observation.

An hon. MEMBER: What did you say?

Mr. BLACKMORE: I said nothing; that seemed to me to be the wisest course. However, I decided that the Indians had a good case. I believe we should make provision for reimbursing these gentlemen for out-of-pocket expenses and any losses they incur as a result of having to neglect their own work to discharge the duties in connection with the position they hold.

The question of military service is one which is exercising the Indians, and a good many of the white people as well. Much attention must be given that question, I should not like to make a pronouncement at the moment as to whether I would favour complete freedom from military service. I submit however that the problem should be carefully studied.

Treaty rights which were granted to the Indians have been in many cases disregarded, as far as I can see. As I recall it, the Indians in my constituency signed in 1877 a treaty known as treaty No. 7. In that treaty there are a good many stipulations which have not been observed. That is not as it should be. What the reasons are I do not know, but I believe we ought to find out and reaffirm the treaty rights of the Indians. When the Blood Indians and those working with them signed that treaty they believed the white man meant what he said. If the white man did not mean what he said, then we had better see to it that we say it again and mean it.

The education of the Indians has occupied a good deal of my attention throughout the last twenty years. I have felt that there was much to be desired on the reservation in my constituency. In the first place—and I am speaking in a purely impersonal way—I find it difficult to see how we can guarantee the Indians an education when we are consigning every Indian on the reserve to become either a Roman Catholic or an Anglican in order to go to school. There are two residential schools, one Roman Catholic and the other Anglican. I have no fault to find with either of these churches, but to say that every Indian should have to become a member of one or the other in order to get an education is to say something which seems reckless and illogical in a country such as Canada. Nevertheless that is the situation. All the education which the Indians obtain in my constituency has been obtained in one or the other of these residential schools, which are definitely religious schools. This is a matter which ought to be considered with great care.

Among our treaty obligations with the Indians was the guarantee that we would educate the Indian, and we are falling far short of giving the Indians on the Blood Indian reserve what we would call an adequate education. That matter must be probed and a proper remedy prescribed. In my judgment, there should be modern every-day schools. In my constituency the Blood Indian reservation is a very long stretch of land of many miles. The Indians have to travel a considerable distance. It would not be so bad if they had automobiles, but if they have to travel by team all the way from the remote reaches of the reservation with their children up to the schools and come up occasionally to see the children, they are put to exceedingly great inconvenience. It ought to be possible for us to establish day schools on reservations similar to the rural schools which we gave to our white people scattered over the prairies. Therefore it should not be necessary for the Indians to send their children long distances to residential schools for many months at a time.

It is a well-understood principle by all people who give thought to educational matters that education after all is not only just a matter for the schools to take care of. There are at least three elements involved in education. One of these is the school; certainly another ought to be the home, and the third ought to be the church. Because of the way the children are being educated on the Blood Indian reservation, the home has no chance at all. In fact for over half of the time the children are entirely separated from their parents. Frequently at the end of their education they come back to find the parents do not know them and they do not know the parents, so widely separated have they become from what they were when they left their homes. This matter ought to be taken care of. So far as I can see the only way to take care of it is to establish day schools at convenient places in the reservations.

Indian parents have a right to the company of their children just as much as white parents have a right to the company of theirs. They have a perfect right to influence their children. When the Indians signed a treaty with us they did not sign away their rights to bring up their children as Indians. They have a perfect right to bring up their children as Indians if they wish to do so.

There is another matter that is rather serious. On the reservation in my constituency many of the parents need the assistance of their boys and girls when they are making hay and doing other work. They need the help of their boys and girls just as much as the white people do; yet the boys are away until they are fifteen or sixteen years of age, and the parents have to get along without

them. That is a matter which ought to be looked into. It is another problem which can be solved only by the use of the every-day school.

It is suggested by some—I am not prepared to suggest it specifically for the Blood Indian reservation because I am not well enough informed on the matter—that there ought to be not only a day school but a semi-residential school here and there on the reservation. It is suggested that it ought to be possible for parents to send their children to residential schools where they can stay five nights a week and come home for the week-end. Such an arrangement would overcome many of the disadvantages which now obtain by reason of having all the children go to a complete residential school. This is a matter which ought to be given careful consideration by the committee, and upon which recommendations ought to be made.

It is advocated by some that there should be three kinds of schools on reservations where conditions are favourable. There should be a residential school, a semi-residential school here and there where conditions warrant it, and a day school in other places where conditions warrant it.

There is another matter which is receiving considerable attention in some parts of the west. Some Indians desire to send their children to schools which are outside the reservation. In other words, Indians who are better off, more ambitious and progressive desire to send their children to a school in a white community. They find that the children make more progress in those schools, but the cost involved in sending a child to a school outside a reservation is often so great as to render it completely prohibitive, regardless of how desirous the parent may be of giving his children that educational advantage. It is suggested by some that the government ought to be prepared, where children have the opportunity and desire to go to a school in a white community, to pay the tuition and an allowance which would enable the child to have such advantages as adequate laundry service, and so on, which are necessary to enable him to live in that kind of community without being self-conscious, so that he may have the chance to develop. This is a matter which ought to have serious consideration if we are desirous of having the Indians become one with us, as I am sure we are; if we wish them to assimilate with us in due time. I can think of no more direct method of accomplishing that objective than allowing the boys and girls to go from the reservations into the schools of white children, so that they can grow up in that environment, thereby becoming accustomed to the ways of the whites, and go home to their tepees at night. In this way they would be put in a position to compete and give to the country the kind of service of which they are capable.

I could say a great deal more on this matter, Mr. Speaker, but I feel that if I use up any more time I shall probably be depriving other hon. members of the opportunity to give an expression of their feelings in this regard. After all, it is a matter which affects every one of us; it is not a party matter; it is an national matter, a matter of great concern. I shall therefore content myself by saying that I heartily approve this resolution, if it is impossible to have a royal commission. I really believe that it would be better to have a royal commission. Perhaps the establishment of a committee to go into this problem will be the first step leading to the appointment of a royal commission, because the members of this committee, after wrestling with the problem for a year, may become convinced that a royal commission is the only solution and may so recommend. However, let me repeat that since it is impossible to have a royal commission at the present time I heartily approve the appointment of this committee and again wish to congratulate the minister on having introduced the resolution.

Mr. DANIEL McIVOR (Fort William): I can speak with some measure of intelligence on this subject, and especially on this motion because of my personal experience, past and present, with the Indians. First of all I taught for a time in 1907 in a Regina industrial school. My experience there taught me that the pupils in that school would compare favourably, physically or mentally, with our white pupils. Many of the pupils who passed through that school went on and made their name in Canadian history.

Physically I had the pleasure of drilling a soccer footfall team for a month in that school and they took the drilling well. We went to Regina where they thought they had a football team. When we were through with the game the Regina football team knew how to take defeat. From that time up to the present I have kept in contact with some of those pupils.

Then I served on a committee under the leadership of the late Doctor Baird of Manitoba college from 1897 to 1908. We studied the needs and possibilities of the Indians. On that committee I learned many things that I never forgot.

Another reason why I speak on this subject is that I have had personal relationships with the Indians. I am an Indian chief. Those who speak in this house as ordinary members speak only as white men. I speak as a combination of the white and the red. I am Chief Sky of the Ojibway Indians, and it is no mean tribe, especially when you see them led by such men as the Minister of Reconstruction (Mr. Howe), who is another chief. We just do not belong to the ordinary common people. We are common people, it is true, but we have a little more; we have ability to do things in a modern way. I told the Minister of Agriculture (Mr. Gardiner) so last year, because I was with an Indian agent on a farm in the Nipigon district which we inspected, and where they did not have to buy artificial fertilizer. They went down to the lake and brought back wagonloads of fish which they scattered in the drills and I never saw better potatoes. Some men would say they had fish and chips as a result, but that is not the way the Indians live; they always wash their potatoes before eating them.

In visiting these schools I found the children pretty well attended to. Under the direction and companionship of the Indian agent of the Chippewa Indians I learned many things. I learned that they wondered why they did not have citizenship, like the rest of Canada. People born in Canada whose sons served in the last war and this war are just as much entitled to citizenship as even those who come from the north of Ireland. We have certain needs. Our hospitalization can be improved. Perhaps our public school system, whether under the leadership of the Protestant or Roman Catholic church, should be thoroughly examined and kept right up to the standard of these two branches of the Christian church. I would say, too, that when we have Indian agents of the character of Jerry Burke, who shows splendid judgment, efficiency and readiness to look after the needs of the Indians and give them leadership, our Indians will be well served.

So I would say to the minister that we of the Ojibway Indian band will support him, not with red paint and feathers, not with tom-toms and tomahawks, but by showing him and this government that we are capable of being good citizens.

Mr. WILLIAM BRYCE (Selkirk): I welcome the introduction of this resolution, Mr. Speaker, by the Minister of Mines and Resources (Mr. Glen). Some of the Indians have been asking for a royal commission, but if this committee is given sufficient power to bring before it an adequate representation of Indians, in order to present their grievances, perhaps it will serve the purpose.

Speaking for the Indians of my constituency I would say there are many things that need to be cleaned up. We have young Indians from the Fisher river and Pequis reserves lying in gaol for trapping muskrats. These young Indians still feel they are within their rights, and they do not believe they have done anything wrong. We may be able to straighten out such matters in such a committee. There is also the question of the land in St. Peter's reserve which was leased or sold to the provincial government; that is the Netley marsh. If this land was surrendered, as the government maintains, why do the Indians still claim they never agreed to the sale? That is another matter than can be straightened up in this committee.

The young Indians of the constituency of Selkirk who fought overseas and are now coming back have new ideas. They have seen how other people live. They have been trained in the army, and they question such practices as taking water from a river into which, a little further upstream, the sewage of a town is dumped. These boys have learned that sanitation, hygiene and nutrition are essential to decent living. Tuberculosis is increasing among the Indians. Last year the department granted more money than ever before, but I am quite sure a great deal more will have to be spent before this disease is brought under control. There is the question of old age pensions for Indians; that can be discussed in this committee. There is the matter of the conditions in which some of these old Indians are living in the northern part of my constituency; we can bring that before this committee when the time comes.

There will be educational problems which require to be straightened out. I have in mind as one example the fact that when an Indian becomes enfranchised his children immediately have to stop going to the Indian school, though there may not be a school operated by the provincial government within ten or twenty miles. I am sure the federal Indian department and the provincial department of education could do a good job by cooperating to see that these Indians have an opportunity to obtain an education.

Again I welcome the appointment of this committee, which will afford these Indian bands, Indian organizations and people interested in the welfare of the Indians an opportunity to present their views, comments and recommendations to members of the Senate and House of Commons in an endeavour to correct any wrongs that may exist and in gen-

eral to legislate for the improvement of the welfare of our Indians. I do not intend to say any more at this time, since I understand the minister would prefer to have any complaints brought before the committee. I am happy to be on it and am looking forward to the opportunity in the near future of bringing to the attention of the committee the representations of the various Indian bands in the constituency of Selkirk.

Mr. D. S. HARKNESS (Calgary East): I should like to make two or three brief observations on this lengthy resolution. In the first place I do not see that any good purpose will be served by a lengthy debate, such as seems to be developing at the present time. What is wanted is to get the resolution passed and the committee at work. The Indians themselves are sick and tired, I know from speaking to a large number of them, of people talking over their problems, making observations about them, and getting nothing done. As far as I can see, we are just wasting the time of the house in debating this matter at the present time. Let us pass the resolution and get something done.

As far as I have been able to determine, the majority of the Indians, and certainly a very large number of organizations which are friendly to the Indians and are supporting them, have been pressing for the appointment of a royal commission. The hon. member for Lethbridge (Mr. Blackmore) has gone at some length into the matter of a royal commission and some of the advantages which might accrue from it. Personally I think that would be a better way to handle this investigation into Indian affairs, if for no other reason than I think it would have been more satisfactory to the Indians and those friendly to the Indians than a parliamentary committee of this kind. However, since the government have decided on a parliamentary committee I believe they can be assured that we shall all give full cooperation, as I am sure will be the case with the various organizations interested in the welfare of our Indians.

The minister has indicated that full opportunity will be given the Indians to make representations to this committee, and I trust he used the word "full" in its widest meaning. I hope there will be no tendency to put pressure on Indians from any reservation to prevent them from bringing forward their problems and making what complaints they have to make. That was one of the reasons why a lot of them wanted a royal commission appointed. They felt that with a parliamentary committee they would have less chance to be heard and less chance to put forward their own points of view. I trust that we shall now go ahead and pass the resolution instead of wasting any more time in talk.

Mr. H. G. ARCHIBALD (Skeena): Mr. Speaker, I should like to commend the Minister of Mines and Resources (Mr. Glen) for bringing forward this resolution. The Indians in my district did not want a royal commission; they wanted the problem dealt with in this manner. They felt that a royal commission would be too cold-blooded an affair; they wanted some body appointed, something in the way of a round-table conference, before which they could place their problems; they wanted to sit down with the members of parliament who make the laws.

I met the brotherhood which represents the Indians on the northwest coast of British Columbia; I also made a visit to the Indian village of Old Massett on the Queen Charlotte islands in order to find out what grievances they had, and they had many. The education of the Canadian Indian in years gone by has not been very good and many new requirements have to be provided for. The whole thing is a disheartening mess. I found in the school at Old Massett that the grade seven pupils were using grade six books while the grade five pupils were using grade four books. They simply did not have proper textbooks for the children. The Indian agent has been told of this but no action has been taken. There are no lights in the school and as hon. members know, in that latitude the days are rather short in the winter time. There is no library; there are no reference books, and no help has been received from the agent in connection with these deficiencies.

The Indians want to know who inspects the school. Apparently there is no proper inspection. The Indians tell me that the boarding schools are under the domination or control of the various religious denominations. They would like to have schools like we have, that is, government controlled education. It is granted that the people running these schools have the highest motives, but too many of them are picked for their religious qualifications rather than for their ability to teach, under modern conditions especially.

The teacher in the school at Old Massett is receiving $95 a month plus the cost of living bonus. I am told that the salaries paid in some of the residential schools are as low as $60 a month. When we realize the conditions a schoolteacher in an Indian village is up against we must know that we cannot get the right class of teacher to teach in an Indian village unless higher salaries are paid. It would pay this country to pay these teachers

more than is normally paid to the ordinary day schoolteacher. These teachers have more difficult problems to meet and they must be more understanding. If proper salaries were paid a better class of teacher could be induced to go on the Indian reservations and make the teaching of these people their life work.

The inspector of the department states that day schools are more effective than residential schools. Apparently the residential schools break up the school day into so many hours of schooling and so many hours of actual work. Under modern conditions such a procedure is outlawed. These people will have to adapt themselves to present-day technology development at relatively a much faster rate than we had to.

I have here a description of the sanitary conditions in the village of Kitketla. These people state that they have no drinking water, that some people must depend upon rain water. Others dig holes in the ground but they cannot go very deep because of the bedrock. Hon. members know the kind of water you get when you can go down only two or three feet. Is it any wonder that there is so much sickness among the Indians? They tell me that there is a lake up on the hill and that all the government would have to do is to put in a pipe to provide water for the village. The Indian agent promised to have this done this summer, but nothing has happened. Previous Indian agents made no attempt to solve this problem.

The condition of the school is, to put it mildly, a disgrace. It is contended that the school is a source of tuberculosis. There are forty-eight families there and four babies died in three months. The size of the school is thirty-four by twenty-two feet; it has a seating capacity of thirty-six, and seventy pupils are registered. The older ones go in the morning and the younger ones in the afternoon. Some of the children do not want to go to school because the floor is full of holes through which the rats can crawl. This is the condition that these people have to face.

The Indians in British Columbia do not come under treaty rights. A total of $20,000,000 has been spent on Indians during the past fifty years and this amounts to $4.10 per capita per annum for the Indians in that province. They would like to see some sort of credit set-up arranged so that they could buy their own fishing gear and boats and not be under the control of the canning companies. This would give them a degree of independence which they have not had in years gone by.

Indian Affairs branch will have to take some responsibility for housing conditions in the canneries. No matter what is done on the reservation, when these people go to the canneries the conditions under which they must live are definitely bad for their health. The provincial authorities are not doing a great deal about the matter. The housing situation generally in most villages is bad and I do not think enough money has been spent in providing proper facilities.

I could give more details of the cases that have been laid before me, but now that this committee is to be set up they can be presented by the Indians themselves. I hope that the Indians and organizations such as the brotherhood will have ample opportunities to present their cases and that officialdom from the Indian Affairs branch will not take up too much time. I trust that the Indians will be able to speak their mind about what they want in the way of education and that representatives of the various churches will not be allowed to take up too much of the time of the committee. I know the Indians can make it very plain what they want if they are given the opportunity.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, until the hon. member for Lethbridge (Mr. Blackmore) spoke I had not intended to speak on this motion. The hon. member for Lethbridge suggested that the Indians should be exempted from military service. That would be an insult to the Indians in my riding. Practically every male Indian in my riding enlisted for overseas service, and many of them never came back.

Mr. LOW: Did the hon. member say that the hon. member for Lethbridge had said that the Indians should be exempted from military service?

Mr. FRASER: Yes.

Mr. LOW: I think I should correct the hon. member. The hon. member for Lethbridge stated distinctly that the committee should decide whether or not the Indians should be exempted.

Mr. FRASER: I stand corrected. But I do not think the committee should deal with the matter at all. It should be left as is. Let the Indians decide for themselves. They will enlist without any persuasion from any government, as they did in my riding.

The enfranchised Indians should, I believe, have a good deal of consideration from this committee because it is the enfranchised Indians who often find themselves at the parting of the ways, unable to look after themselves after a few years away from their

tribe. In many cases they cannot even get schooling; they cannot get hospitalization, and township or county often will not give them hospitalization. I know of one Indian boy who developed tuberculosis of the leg, and the hospital and doctors' bills—mostly the hospital—ran to over $3,000. Eventually the county had to pay it. But I believe that is the responsibility of the government. These people are not paying any taxes; they never did pay any tax, and I doubt that they ever will, as they are on government land. These enfranchised Indians should be looked after.

I notice that of late years the Indian Affairs branch has been selling islands and lake shores. This has resulted in closing off many Indians who act as guides for tourists from going ashore in order to cook the noon-day meals for those they guide. Upon all lakes and streams where there are Indian lands, proper provision should be made for the Indians for this purpose.

The hon. member who spoke before me mentioned the pay of teachers in the Indian schools. Pay is essential, of course, but the most important thing for the teacher in an Indian school is to have an understanding of the Indian. The teacher must first learn to know the Indians and how to win their confidence. Once they have won the confidence of the Indians they can teach them, but they cannot teach them before having that. I have found that the Indian boys and girls, if given proper teaching, will do as well as if not better than the white boys and girls, as the hon. member for Fort William (Mr. McIvor) has said. They make wonderful pupils and wonderful citizens of Canada if given half a chance.

Mr. F. D. SHAW (Red Deer): Mr. Speaker, my only purpose in participating in this debate is to emphasize the urgency of giving the utmost consideration to the question of non-treaty Indians. During the past few years we have had a bitter experience in our part of the country in connection with two bands of Indians. One of them up until recently was a non-treaty band and the other is still a non-treaty band.

Among these non-treaty Indians we find a roving group of people not limited to any specific area but moving seasonally to engage in various types of work, perhaps farm work during the harvest and trapping during the winter. The two bands that I am particularly concerned with, the Crees and the Chippewas of the Rocky Mountain House and White Court districts pose a tremendous problem because of the incidence of disease among them, venereal disease and tuberculosis particularly. During certain times of the year these Indians come out from the areas they inhabit during the winter and engage in harvest operations among the whites. I contend that this is a menace to the white people of those areas. About two years ago the district health nurse at Rocky Mountain House advised me that if the public were aware of the infant mortality rate among those Indians they would be appalled. A certain doctor responsible for checking these Indians for military service stated that he could not O.K. one of them for military service because of the incidence of both venereal disease and tuberculosis.

I wish to emphasize that during recent times one tribe has agreed to accept treaty. I understand there is an agreement whereby Indians cannot be forced to accept treaty and to establish themselves upon a reservation, but in my opinion where the prevalence of disease among them is such as to jeopardize the general health of all the people, whites and others, in that area, drastic action should be taken.

There are no educational facilities for the Indians of the non-treaty bands. There are no hospital facilities at all for them, and as I indicated earlier, the increase in disease among them is staggering.

I could not speak on this subject without paying public tribute to one who has done a tremendous work among these two bands of Indians and who has received very little if any public acclaim for his services. I have in mind one Henry Stelfox, the first public game warden in the province of Alberta, one who has given generously of his means and his time on behalf of these Indians and has been refused on more than one occasion repayment of the few paltry dollars he has paid out of his own pocket in order to meet some emergency such as illness among these Indians. Mr. Stelfox, I understand, was upon one occasion offered a position as Indian agent, but the wage offered was much less than he paid to his most poorly paid hired man. To me it seemed an insult. But I wish to emphasize that he is not looking for a position or compensation. I believe that he is deserving of the highest tribute I am capable of paying for the magnificent work that he has done among these Indians. But the work is becoming beyond what any one man can do, and the government must step in and take definite action to clear up a bad situation which has developed. I trust, therefore, that the committee will not overlook the position of the non-treaty Indians and that as a result of committee deliberations their problems will be removed.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, I understood from the minister last night that he was hopeful there would be little debate on this resolution and therefore I shall be brief. We are pleased to see that the government are doing something about the Indians, if it is only the setting up of a committee. About a month ago I placed on the order paper a resolution proposing:

That, in the opinion of this house, the government consider the advisability of setting up a royal commission, which should include Indian representation, to study the whole matter of the treatment of Indians in Canada; the relation of the present Indian Act to its ability to fulfil the treaties signed by these Indians, and to recommend to parliament those changes necessary in the administration of Indian affairs and the Indian Act which will make it possible to properly fulfil the treaty obligations, and to properly provide for the future well-being of the Indians of Canada.

The government, however, has already seen fit to set up this committee, and we support this part of the resolution. I believe that if the committee gets out in the field, discovers the actual conditions, and really does the work required of it, it will have on it hands a job much larger than may be anticipated at this present time. I hope that one of its recommendations will be that such a committee shall become more or less permanent. My reason for this suggestion lies in the very nature of the problem, the fact that we have in this country about 130,000 Indians who, living on reserves or off them, have no way to air their grievances, no official voice by which to express approval or disapproval of what is being done, no way of protesting against undesirable conditions. We as Canadian people have a responsibility here to see that these people are properly treated. I am of opinion that the conditions which have been allowed to develop among the Indians with regard to their health, economic situation and training facilities are nothing less than a monument of disgrace to those who have been in power in Canada and have allowed human beings to suffer the conditions which exist among a very large majority of our Indian people.

What the hon. member for Red Deer (Mr. Shaw) has said on this matter is quite true. When the minister is closing the debate he might give us a statement as to what the infant mortality rate is among the Indians; it is reported to be over 50 per cent in some areas. We are pleased that this matter of public health improvement has been regarded so seriously that the government has decided to hand the subject over to another department, the Department of National Health and Welfare. I believe that surveys in the northern area and reports have already been made, and I would ask that the report of the committee of medical men who investigated conditions in northern parts of Canada should be made available to this committee, so that we may know something of the magnitude of the problem facing us, and be able to take proper steps to provide adequate medical services to the Indians.

Those young Indians who volunteered to serve in the Canadian army and served abroad have learned a good many things, and what has struck them most forcibly is the method of controlling sanitary conditions and the scientific approach to nutritional problems, matters of which the Indians in general are in complete ignorance. The economic conditions of these people are simply deplorable. They cannot live nobly and well, if they have not the means of proper living; and my experience in visiting them, hearing reports, attending their attempts at holding conventions of one kind and another, both provincial and federal, convinces me that the economic condition constitutes a tremendous and immediate problem. What first drew my attention to this matter was that in my own constituency, although agriculture is supposed to pay pretty well these days, according to a report from one reserve where there are forty-six families, only ten of them are actively engaged in agriculture, that is in raising grain or cattle or both; the other thirty-six have no means of earning a livelihood other than going out to work for the white men in the neighbouring areas, or cutting wood and hauling it to town; and if their ponies are able to haul a fairly large load they may get two or three dollars for it, but in many cases they may get less. It is time we took these matters into account. I hope a careful study will be made as to the basis on which these people can be made self-supporting with an adequate standard of living.

The Indian himself is a good man. There is a lot of inherent goodness among Indians. The Indian creed is "Love and help thy brother", which I think will be admitted to be a fairly high code of ethics, and he lives out his belief. Indians help one another. Moreover, the Indian is a conserver of natural resources. If there are a number of muskrats or beaver, or a herd of reinder, or whatever the Indian makes his livelihood from, in any area, he realizes that enough should be left each year in order to propagate those animals or provide that fur or that food, and he always leaves a sufficient number there. In this respect the Indian is more scientific than the white man, with all his cunning. Too often the white trapper will move in on

Indian trapping grounds and take the whole cache, clean out the whole area, so that in many cases the Indians have to move away or remain without the means of livelihood. One of the best things the Indian Affairs branch has done has been to carry out its programme of fur farming, and I hope that this committee in its recommendations will advocate the continuation and expansion of that programme.

The Indian is suspicious of white men. I think this is largely because he has been fooled so often, and because fur trading companies operating in the north robbed the Indians of their livelihood. They took their furs and paid the Indians practically nothing for them. They are the people to whom the Indians must go for provisions, for food, for ammunition, for most of their supplies. The exploitation which we used to read about as having occurred in the early days in Canada is still being carried on in the northern areas of this country as far as the Indian is concerned.

Treaty rights is one of the matters for consideration by this committee. I am pleased to notice that, because although it is a difficult and involved question it is also an important one. You will find that the Indians still have copies of old treaties made between themselves and early French governors who came to this country long before Canada became part of the British empire. You will find treaties made with representatives of the British people who conquered Canada, and between representatives of Great Britain and Indians who fought for the English at the time of the American war of independence and came to Canada to the Six Nations reserve. You will find treaties made with governors throughout Ontario and further west. It will be difficult to see to it that the Indian Act and the administration of the act fulfil all the obligations made under the various treaties. In the west, treaties were made somewhat later, after the northwest rebellion. Promises were made by the representatives of the queen. The Indians, in reading over those treaties, find that they have been broken, that, for example, it was carefully and deliberately provided that day schools should be established on each reserve, but that no such day schools have been provided. Other understandings in connection with the treaties were arrived at in conversations between Indians and officials of the government. For example, the Indians say they made it clear that they did not want their children to be taken outside Canada and forced to fight the battles of the white man outside the country. Officials of the government at that time said, "No; we want you to live at peace among yourselves and with your white brothers and you will not be called upon to fight the wars of the queen outside Canada." But the present government instituted conscription and conscripted Indians off the reserves right in the province of Saskatchewan. These Indians had not volunteered; they had been promised these rights by treaty, and therefore they said, "You are breaking your treaty with us". What could they do? Could they go and complain to the Indian agent? Well, the agent would write to the department and ask for a directive and he would be told in reply that he should encourage the Indians to join.

When you break your word with an Indian he remembers it and it is no wonder the Indians are suspicious of their white brothers. Very often portions of reserves set aside for Indians have been sold to municipalities or to settlers and the Indian on the reserve wonders what has happened to the money he was supposed to get. He has no accounting. He has no way of saying, "You sold this land for so much money; where is that money?" He says, "By what right did you sell it? You set aside this land for us; you did so by treaty, and now you sell some of it." Well, they are told that they agreed to this; but who agreed to it? There is no record of anyone agreeing to it. The Indians understand that money was set aside in trust for them, but there is no accounting of the trust fund and they want an accounting. They want to know where the money is; they want to know something about the interest. What was done with it? The answer is, "It was used to pay you so much a year in treaty money; then there is the maintenance of the aged and the sick, and we have done many other things for you."

In the days when there was no crop in western Canada the Indians did not get relief from the municipalities. Quite often they had to pay for their own relief out of their trust fund and they lived at a terrifically low standard, as they do now. When there are only ten families on a small reserve and the only means of livelihood is farming, the living conditions of these people are such that they cannot be healthy. They cannot assimilate education; they cannot improve their conditions, and they are powerless to speak. They have no means of redress.

The fight of the Indian to-day is a fight against ignorance, against poverty, against fear; and it will be a fight for democracy.

I am sorry that this committee will not have some group representing the Indians. I am sorry that it will not have some means

of such representation, somebody who can sit in on the deliberations, or persons chosen from selected groups in various parts of Canada. I should like to see an Indian from the Micmacs of the maritimes. I should like to see one from the Iroquois reserve and one from the Caughnawaga. I should like to see on the committee representatives who can listen to the deliberations, and I would recommend to the government that a place be made on the committee for representative groups of Indians from across Canada.

Mr. REID: It might not be a peaceable committee.

Mr. CASTLEDEN: A good thing every now and then is a good fight. I believe we would avoid a good many mistakes.

Mr. REID: I am a peaceable man; I agree with you.

Mr. CASTLEDEN: I appreciate the hon. gentleman's qualities. If this suggestion were adopted, then for the first time in the history of the country, in the making of important legislation, the Indians would at least have a voice. They would have representatives chosen by the people themselves and that would help to prevent mistakes, because I do not believe that we understand entirely the position of the Indians. There are good men on the Indian reserves, man of ability, with qualities of leadership.

I should like to see representation from Manitoba. There was a young Indian from Manitoba on the committee who interviewed the minister recently and I had the honour of listening to him. He had volunteered from that province. He could not pass the medical examination to start with, but after medical treatment, special training and setting-up exercises, he turned out to be a man of fine physique, a man of courage, and he won the Military Medal. He belonged to the paratroopers and went behind the enemy's lines in Sicily and Italy. He could tell the committee a few things.

I should like to see representation from Saskatchewan, from the Sioux, the Cree, the Blackfeet and the Stony Indians. They could tell us something about their treatment. We also need representation from British Columbia, where I understand no treaties at all were made with the Indians. They have no means of making themselves heard. They cannot say, "Here are our treaties and you are breaking them." Under proper representation, however, those Indians could put their views before the committee. I would earnestly suggest that representatives of these Indians sit in with the committee throughout the whole of its deliberations.

I would also direct the attention of the government to education and a training programme for the Indians. Evidence is abundant to prove that of the few Indians, out of the whole 125,000 or 130,000 who get an opportunity for education, so many have gone so far and done so much, that proof is hardly necessary for my contention that the Indian could be made into a great man and a great leader. Under existing educational and training facilities, however, the opportunities are small.

Here is a school statement from the department's own report of 1945 showing that out of the whole of the Indians of Canada in every province and in the Yukon and Northwest Territories, some 132,000 Indians, the children from the ages of seven to sixteen who went to school in 1945, only 56 reached grade nine, 171 reached grade eight, 400 reached grade seven and 600 reached grade six. Of thousands of Indian children, that is the extent of their education.

These people can never advance until that condition is changed. I agree that it is not an easy problem but it is one that must be approached with understanding. It must be approached scientifically and with a view to providing efficient training and education for the Indians. They must be established in decent homes. It is no use having children coming to school if they are to spread disease among the others. They cannot come from homes where there is filth or dirt, because in that case they will only spread these diseases. They must be established economically and schools must be provided where the children will have an opportunity for proper education which will develop their abilities.

The present system of residential schools is not meeting the problem. I know there are residential schools where good work is done but there are many where children are not getting an opportunity of attending classes. Moreover, they attend classes for half a day. Actually the number of hours spent in the classroom is not sufficient for the number of students who show ability to carry on and to take on further training.

I am going to recommend for the study of this committee—and I hope it will be available to it—a complete report of what has been done in the United States with regard to freeing these people, giving them power and raising them from the status of wards to the position of free men.

Citizenship is a matter of contention. There are many Indians who want it and many who do not. I hope that this committee will thresh it out. My contention is that since these Indians show capacity and a desire to become citizens they should be given citizenship rights;

and if they so desire they should also retain their rights under the treaty, as is done in the United States. No citizenship should ever be forced upon these people if they do not want it.

If this committee finds, when it starts its work, that it requires so much attention that it will have to be continued as a committee I hope that it will be set up year after year to receive reports from the Indians until the day comes when they can speak for themselves.

Hon. BROOKE CLAXTON (Minister of National Health and Welfare): The hon. member for Yorkton (Mr. Castleden) made one statement which should be corrected at once. As I understood him, he said that the infant mortality rate for Indians was, he understood, 50 per cent.

Mr. CASTLEDEN: I should like to correct that.

Mr. CLAXTON: On reflection I am sure he would like to correct it.

Mr. CASTLEDEN: I have not all the figures and reports, but from the reports that I have for certain areas in northern parts of Canada the infant mortality rate is 50 per cent.

Mr. CLAXTON: Fifty per cent? Of course it is possible that at a locality two children may be born and one of them die within a year of the birth of the two of them, and that would make the rate 50 per cent in that spot. It would give a totally wrong impression to say that the rate for Indians is 50 per cent or anything like it. The rate, of course, is very much less. I have the rate for deaths from diseases peculiar to the first year of life. This is the infant mortality rate measured per 100,000. While the rate for Indians undoubtedly is higher than the rate for white people, it is quite different from anything like 50 per cent.

Mr. NICHOLSON: Has the minister the comparative figures for the whites?

Mr. CLAXTON: I believe we can give this information more suitably when the committee sits. I should not like to take up the time now when there is a strong desire on the part of all hon. members to have this resolution carried and the committee set up and at work.

Mr. MacINNIS: Is the minister sure that the rate is estimated on the 100,000? Is not the infant mortality rate considered as so many per thousand live births?

Mr. CLAXTON: It could be either way; I am giving it as it was given to me. The health of Indians has been a matter of serious concern to the government for some time. On November 1, 1945, as the Minister of Mines and Resources (Mr. Glen) said, responsibility for the health and hospitalization of Indians was transferred to the Department of National Health and Welfare.

At the time of the transfer the Department of Mines and Resources, Indian Affairs branch, had prepared plans for a considerable extension of hospital and health facilities among the Indians and Eskimos. Since we have had the responsibility in the other department we have reviewed these plans and extended them in some respects. If hon. members will look at the estimates they will see that there is a considerable increase in the amount provided over last year. I hope that this is an increase for which we shall have the support of members in every part of the house.

With regard to the health of Eskimos in the far north I may say that we had a conference here on February 8 of this year, which was attended by some of the prominent doctors who have made the trip to the far north in recent years, such doctors as Doctor Dennis Jordan, Doctor Campbell Laidlaw, Doctor George S. McCarthy, Doctor George Hooper, and Doctor W. L. Crewson representing the National Institute for the Blind. We have had their assistance in drawing up plans for dealing with the exceedingly difficult problems of the Eskimo, and we hope to be able to do something further to extend the service that they have already been given in that field where there are some 7,700 Eskimos scattered over a territory of nearly 700,000 square miles.

The hon. member for Cochrane (Mr. Bradette) spoke about the possibility of a hospital being constructed on the shores of James bay. That is under consideration. There are some 3,759 Indians in the neigbourhood, plus some 1,200 Eskimos on the eastern shores of James bay and Hudson bay. It is felt that a hospital or additional facilities are needed there, and that is receiving consideration.

Consideration is being given; indeed active steps are being taken to increase hospital accommodation in many centres. Only on Wednesday of last week I visited the band of the Six Nations at or near Brantford which was referred to by the hon. member for Davenport (Mr. MacNicol). There I saw the Lady Willingdon hospital, a small hospital of eighteen beds, with two doctors and three nurses, which is doing excellent work in looking after the health of the Six Nations Indians on the Six Nations reserve. So far as the statistics go I think it will be found that the health of the Indians on that reserve is probably as good as that of the white people

around in every respect except that of tuberculois, where the death-rate is considerably higher.

The suggestions that have been made by hon. members in a helpful way during the course of this debate with regard to the health and hospitalization of Indians will be taken into consideration. When the committee sits we shall have available any information that we have, and we shall be prepared to discuss any matters of interest to the members of the committee or in the interests of the welfare of the Indians themselves.

Mr. CASTLEDEN: In reply to the minister I should like to say my plea was for this committee to get the actual statistics with regard to the health of Indians, and to clear up the doubts. When I made my statement I was not referring to the infant mortality rate as 50 per cent, but that report had been brought down.

Mr. J. E. MATTHEWS (Brandon): I also wish to join with others in expressing a word of commendation to the minister for having introduced this motion to-day. I should also like to congratulate him on the splendid presentation that he made.

It is quite true that I am not the chief of an Indian clan; I am too young, but I hope I can lay claim to the fact that I have been, am now and hope I always shall be, a friend of the Indian. He is not of the mentality of the white man; but I believe the constitution of this committee offers a splendid opportunity to do something worth while for the elevation of that part of our human race.

In the constituency that I represent there are two residential schools, one at Elkhorn, Manitoba, of which I have heard splendid reports, but I am not so intimately familiar with the work done in that school as I am with the work done in another school a couple of miles from Brandon. For the last thirty-five years I have been in close touch with the work of that school, first under the direction of the late Doctor Ferrier, than under Doctor Doyle, now retired, who succeeded him, and at the present time under the Reverend O. B. Stroppe, who has a long experience in Indian affairs. I can bear testimony to the splendid work which has been done in that school down through the years. Those who have attended that school have, in later life, gone on to other seats of learning and have made their mark, not only educationally but in whatever vocation they followed, agriculture or otherwise.

I have heard it said frequently, that after finishing their courses at the residental schools very often those young boys and girls go back to the reserves and lapse right back into the old ways. I have made inquiry in that connection, and I find that in many instances they do lapse for perhaps a year or two but that almost invariably they stage a comeback, so that a little later you find them taking a more forward place in the affairs of the band and endeavouring to make a better livelihood than otherwise would have been the case. I believe a great deal depends upon the teacher. This matter was mentioned by the hon. member for Peterborough West (Mr. Fraser). We can quite appreciate how difficult it must be for those in charge of the educational section of the department to secure and retain really good teachers on many reserves. Like the rest of us, teachers are human, and probably the conditions they find in regard to residence for white people on the reserves are not of the best, so that I believe this subject must be a headache for those in the department having charge of education.

In the western part of my constituency we have a reserve to which I should like to take the minister some day, when the crops are flourishing, to show him what has been done there from an agricultural point of view. We have there an efficient farm instructor, and the progress in agriculture that has been made on that reserve is to my mind, simply marvellous. It is good land; they raise good crops; they till the soil well, and they have made a marked success during the past few years. Apparently those Indians have a new spirit to-day. They have fine herds of stock; they are not pure bred, but I believe the day is coming when those young Indians will be exhibiting at the fairs, and you will see them carrying off some of the red ribbons.

Again, we must not forget the loyalty of the Indians, many of whom have served their country. The Indian has always been loyal to the best of his ability. I recall a sentence or two written by Lord Dufferin after he made an extended trip across Canada during his regime as governor general. After speaking of the attitude of the average Indian toward our sovereign, he went on to speak of the—

> . . . untutored halfbreed hoisting some cloth or rag above his humble shanty, and of the stolid Indian in forest or reserve marshaling forth his picturesque symbol of fidelity in glad allegiance to his country's queen.

The Indian has always been loyal, and we would not be loyal to the best traditions of our race if we did not see to it that he is

taken care of and that his living conditions are made better than they have been in the past.

Mrs. GLADYS STRUM (Qu'Appelle): Mr. Speaker, I was pleased to hear so many expressions of appreciation of the fine qualities and characteristics of the Indians. If we really believe what we have said we are all set to give them the advantages that will bring out and develop these qualities, and allow the Indians to make a fine contribution to Canadian life. I thought the hon. member for The Battlefords (Mr. Campbell) performed a useful service in making a survey of Indians who had succeeded in various lines, but I was sorry to learn that three of them had gone to Detroit, one to Ohio and another to New Zealand. More than half of those who have made outstanding successes have left Canada. I believe we should see if we cannot offer them some inducement to serve their own people here. With the advantages they have gained through their experience outside this country they might be the better qualified to come back and help meet the problem here. I believe that would be particularly true of the person who has gone to New Zealand, because when I was in that country a few years ago I was astonished to learn that the Maori people there elect four Maori members to sit in the New Zealand parliament with all the rights of members, including one with the statutory right to be a member of the cabinet. Sometimes that person holds a portfolio; at other times he is a member without portfolio, but they tell you there that one of the best ministers of health they ever had was a Maori. They tell you also that it is not uncommon to have a Maori New Zealander say to a white New Zealander, "Remember the day when my grandfather ate your grandfather," because when the white people went to New Zealand the Maoris were cannibals. So that I think we should learn from other parts of the commonwealth what may be done to develop the possibilities inherent in native peoples.

I hope the minister will not consider that in citing examples of what happens in other places we are being critical. Far too often, it seems to me, the government go on the defensive and try to prove that we are traitors or something of the kind when we mention the possibilities that other countries have explored. I hope they will be good enough to asume that we, too, are ambitious for the record of Canada. We too would like to be proud of our treatment of our native people; and whether we sit on this side or the other side we would like to see reforms carried out that will make us the envy of other parts of the commonwealth.

I have only another moment or two at my disposal, Mr. Speaker, but I wish to say that I believe we should give special training to teachers engaged in handling Indian children, and special training to the administrators who apply the Indian Act. First of all, I believe these persons should be humanists, with social vision and broad sympathies. In my experience, which has been limited, in talking with Indian agents and Indian doctors, too often I have been discouraged by the attitude of these people who have the lives of the Indians in their hands. Too often they regard the Indians very lightly, with nothing but contempt. I hope that is not a sample of the sort of people who work for the government, and to-day I was glad to hear reference made to persons of outstanding accomplishments and achievements in that department.

Motion agreed to.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

LABOUR CONDITIONS

UNEMPLOYMENT INSURANCE—OUT-OF-WORK BENEFITS FOR EX-SERVICE PERSONNEL

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I should like to direct a question to the Minister of Labour which is based upon two telegrams I received this morning, one from the mayor of the town of Glace Bay, Nova Scotia, and the other from the president of the Cape Breton labour council. I have sent copies of the telegrams to the minister so that he knows their subject-matter. Has the government considered the advisability of extending the period for which unemployment insurance benefits may be paid in areas where there is a serious unemployment problem with no immediate relief in sight? Second, has the government considered the advisability of extending the time period for which out-of-work benefits may be paid to ex-service personnel when employment cannot be had in the communities in which they reside?

Hon. HUMPHREY MITCHELL (Minister of Labour): The hon. member was good enough to give me a notice of his question and I may say that I received similar telegrams. I should like to say this for the

general information of hon. members. There are 1,106 applicants for work registered at the Glace Bay employment office. Of this number 262 males are receiving unemployment insurance benefits, and 566 veterans' out-of-work benefits. An additional 350 were receiving unemployment insurance benefits, but the period for which they were entitled to these benefits has lapsed and payments have been stopped.

The employment situation on Cape Breton island, including Glace Bay, is not good. It is true that agricultural workers, some men for the coal mines at Sydney and a number for fishing are still required. However, it is not feasible for all those registered for employment to accept the work available and many of them are not able to do the work. Housing, the type of work to be done and the physical disabilities of the unemployed are factors.

The labour department has provided for issuance of transportation to other parts of the country and men are being moved to places where jobs are open, but the general situation in the maritimes is such that possibilities for transfer are not great. Nevertheless, transportation is being supplied where a satisfactory transfer can be arranged. The movement of a number of men from Cape Breton island to the state of Maine for lumbering and logging is being considered. The United States authorities have asked that some men be furnished for this work. It is anticipated that some wharf construction work can proceed early in June and that the repair work in the Sydney shipyards will increase from now on. The situation is under constant study by the labour department and the reconstruction department and everything possible is being done to work out a satisfactory solution.

One of the proposals which was before the dominion-provincial conference was that the dominion government establish a system of assistance to able-bodied unemployed persons. However, pending the conclusion of a general agreement between the dominion and the provinces the responsibility for such relief is on the local authorities, the municipalities in the first instance, and then the provinces.

[*Later:*]

Mr. GILLIS: If I understood the minister correctly, he said that the government has not considered the advisability of extending the benefits of unemployment insurance. My inquiry a moment ago—

Mr. SPEAKER: I would direct the attention of the hon. member to the fact that he has already asked his question.

Mr. GILLIS: I did not get an answer.

Mr. SPEAKER: It looks to me as though this is developing into a debate rather than just questions. The rules are quite clear that a lengthy question should be placed upon the order paper.

INQUIRY AS TO CALLING OF CONFERENCE TO CONSIDER INDUSTRIAL SITUATION

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to direct a question to the acting leader of the government. In view of disturbing reports of the possibilities of impending industrial strife, has the government considered the advisability of calling a conference of representatives of the government, labour, farmers and employers in an effort to prevent grave economic dislocations?

Hon. HUMPHREY MITCHELL (Minister of Labour): I am not a great believer in having too many conferences, although sometimes they are necessary. Probably my hon. friend has a vivid recollection of the conference called by President Truman. That conference did not do a great deal to increase industrial stability in the United States; at least I do not think so. As I have said before, we have ample machinery for meeting any industrial condition that arises. There are many statements made in the press to-day which in my judgment show an utter lack of responsibility. Irrespective of the government that may be in power, whether it is made up of my hon. friend's followers or of the official opposition, when you have built up machinery which in a general way is equal to handling these problems, I think it is the duty of employers' organizations and of labour organizations to avail themselves of that machinery. That machinery was created by agreement, in a broad way of course, between the federal government, the provincial government, labour organizations and employers' organizations.

As I said last week in this house, I do not think anyone is rendering a service to his country when he says he will not use the machinery that has been established. In the main, out of the tens of thousands of cases that have been dealt with by these boards, composed of representatives of labour and of employers with impartial chairmen, there have been very few which have gone off the rails. I think my hon. friend will agree with me when I say that there are certain forces in this and other countries which do not want industrial peace. What they want is strife. I hope that wiser counsels will prevail on both sides so that we can go through this very difficult period in good shape, in the best interests of the working people and the in-

dustrial structure which is necessary if they are to be employed. I do not think I can say much more than that.

Mr. COLDWELL: May I ask a supplementary question? I quite agree that labour and the employer should be brought together, but if reports are correct more people are involved than just the employer and the worker. It seems to me that the whole community is involved, and that was the reason for my question.

Mr. MITCHELL: I think it can be truthfully said that we have been reasonably successful in the settlement of industrial disputes. My hon. friend may rest assured that everything will be done that can be done to settle these disputes. However, I do not think so-called responsible people should be getting up and saying that they will not obey the law or avail themselves of the machinery set up.

AVAILABILITY OF PRISONERS OF WAR TO SUGAR BEET GROWERS

On the orders of the day:

Mr. R. N. JUTRAS (Provencher): I should like to direct a question to the Minister of Labour, and it has nothing to do with the subject we have just been discussing. Will the Minister of Labour tell the house what provisions have been made to provide German prisoners of war as labour for sugar beet cultivation in the Red river valley district of Manitoba in view of the fact that no reference was made to this most important district in the recent announcement of the provincial farm help service of Manitoba as reported in the Winnipeg *Free Press* issue of last Thursday?

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member's question should be to the point.

Hon. HUMPHREY MITCHELL (Minister of Labour): In reply to the hon. member I am able to state that our plans call for the establishment of about ten hostels or centres through which we shall use German prisoners of war as labourers in the sugar beet industry in Manitoba.

I can assure the hon. member for Provencher that the Red river valley area will not be overlooked. I believe that six of the ten centres we are establishing will be in that valley. Plans to open the first two at Emerson and Letellier by May 24 have already been made. There will be at least one hundred prisoners of war at each centre.

[Mr. Mitchell.]

KING GEORGE VI

PROCLAMATION WITH RESPECT TO HIS MAJESTY'S BIRTHDAY

On the orders of the day:

Mr. KARL HOMUTH (Waterloo South): May I ask the Secretary of State when we may expect a proclamation with respect to His Majesty's birthday?

Hon. PAUL MARTIN (Secretary of State): I hope to be able to say something on that later in the week.

HALIFAX CITADEL

INQUIRY AS TO FIRING OF ROYAL SALUTE

On the orders of the day:

Mr. KARL HOMUTH (Waterloo South): May I ask the responsible minister of the government, or the minister who is leading the house, if a royal salute was fired at the Citadel in Halifax to-day and, if so, why?

Mr. MACKENZIE: I have no information on the subject but I will find out just as soon as I can.

CANADIAN CITIZENSHIP

NATIONALITY, NATURALIZATION AND STATUS OF ALIENS

The house resumed from Wednesday, May 8, consideration in committee of bill No. 7, respecting citizenship, nationality, and naturalization and status of aliens—Mr. Martin—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: The committee is considering the amendment to clause 10 moved by Mr. Diefenbaker to add the following words:

Such certificate of citizenship shall be deemed to include a bill of rights, as follows—

Some hon. MEMBERS: Dispense.

Mr. HACKETT: Mr. Chairman, I wish to support the amendment and to draw to the attention of the committee that the amendment is one which has attracted the attention of the whole dominion which has been shocked at some of the practices that have been resorted to in what have been styled the "spy" investigations. In years past we have been critical of practices in another country which we have referred to as strong-arm practices, and which we thought could never come into existence in our own country. Even if this bill be not the ideal place to set forth these traditional rights it is well that we avail ourselves of the very first moment to put on record the indignation which is felt through-

out the land at the stories that have come out of what took place in the investigation into the activities of these men.

Mr. LOW: Mr. Chairman, before the vote is taken on the amendment I should like to take a few moments of the committee's time to present the view of the group which I represent with respect to the proposed amendment of the hon. member for Lake Centre.

During the debate which has taken place, particularly between the hon. member for Lake Centre and the Minister of Justice and the Secretary of State, I listened most carefully hoping to get the answers to two questions that arose in my mind. It is those two questions that I should like to discuss briefly before the committee to-night. The first of these is, do we now need a new charter of liberties?

It is sometimes argued, indeed I heard it argued in this very chamber, that we already have Magna Charta, the Petition of Rights, habeas corpus and the Bill of Rights as the root and core of the common law part of the Canadian constitution; that they constitute a sufficient bill of rights to safeguard the liberty of Canadian citizens, and that, therefore, we need no further bill of rights. This argument raises interesting questions particularly in the mind of any person who is familiar with the history of Great Britain, from whom we obtained the common law which is part of the constitution of Canada. These are some of the questions.

Why was it that the British people found it necessary to enact habeas corpus when they already had Magna Charta? And why the Bill of Rights when they already had Magna Charta, the Petition of Right and habeas corpus? I submit that a study of British liberties reveals the fact that they were won gradually and as a result of struggles that lasted over a long period of time. Each charter was a reenactment of charters of freedom previously in existence, together with a statement of expanded liberty, freedoms newly won. Thus the Petition of Right of 1628 reaffirmed the promises of Magna Charta, and in addition to that provided protection for the subjects in Great Britain from the depredations and the encroachments of Charles I.

Again, I submit that habeas corpus in 1679 grew out of article 39 of Magna Charta and was a restatement of Magna Charta and an enlargement upon it. The Bill of Rights of 1689 began by reciting the declaration of rights, which was nothing but a statement of all the individual freedoms which had been won up to that time. Then it went on to declare further freedoms as inviolable for the future protection of the citizens of Britain. Thus, freedom grew naturally. Each new step was a natural outgrowth of something already in existence. Each new charter was a restatement of and an enlargement upon charters previously granted by the monarch of the time.

That has been the outstanding characteristic of Anglo-Saxon development, and that also, I submit, should be the natural growth of things Canadian. At no time did Britons ever cut themselves off from the past, and I submit that at no time should Canadians ever cut themselves off wholly from things past. But as we grow, it seems to me our enlargement and development should be out of things already in existence.

It is noteworthy that periodically Britons felt that they had to reaffirm the freedoms already won. These reaffirmations always came at a time following great struggles during which miguided monarchs had succeeded in encroachments upon the liberties of the people, or following periods when some freedoms of the people were suspended for the purpose of meeting crises.

We have just emerged from the greatest struggle which the human race has ever faced —sixteen years of it. I say sixteen years of it because we have had two great wars following one another very closely, one economic, and the other military, both the most tragic in all history. In the course of these struggles personal liberties have gradually declined and the powers of the state have correspondingly increased. During both great struggles of those sixteen years we have had a marked but steady and certain decline in human values, and a steady but sure increase in the materialistic emphasis. During the thirties men, women and children starved or were driven half-starved from place to place in their efforts to find food and comfort, and they were hardly noticed by those who were in a position to do something about the matter. In the military war human beings were counted pretty cheap and there was a growing indifference on all sides and in every nation to human suffering and to mass human destruction. I submit that such a decline in the morality of nations and of their estimate of human values undoubtedly does call for a new bill of rights, a new charter of freedoms of the citizen to meet the conditions of this day.

Churchill and Roosevelt must have felt this need when they declared the Atlantic charter. Unfortunately, the Atlantic charter has not been taken up by the nations. Rather, I submit, it has been forgotten if not tacitly revoked.

Again, during the war we in Canada surrendered to the government some of our free-

doms in order to help Canada to meet the great crisis which faced us and successfully to achieve our part in the world struggle. I need hardly remind hon. members that we fought that war to preserve our freedoms. Now that the war is over, there is definite need to redefine in clear and unmistakable terms just what freedoms and rights individuals shall have in this country, now and for the future, and just what rights are to be yielded up by the government that have been temporarily surrendered to them by individual Canadians. Governments have a habit of trying to make themselves into the all-powerful "State", and that is something we do not want in Canada. This is the time for the people of this and of every other country to assert their determination not only to preserve freedoms which have been won for them at great cost in the past, but also to enlarge their freedoms, to show their determination to enlarge those freedoms. It seems to me that we must add to the freedoms already won through past generations, and now issue a new declaration of freedoms: freedom of our people to consume what they require of the abundance that we can produce; freedom of choice, which goes hand in hand and closely with the freedom to own property and to conduct a business so long as in the holding of property and the conducting of the business our citizens do not interfere with the same rights of other citizens in this country; freedoms, I mean, in addition to all freedoms which we have won in the past. I believe, therefore, that a new charter of liberties of Canadian citizens should now be laid down.

The second question I had in my mind was this: is the amendment presented by the hon. member for Lake Centre the type of restatement of liberties of the subject or the citizen that we want? In the first place, I must say that I do not like to see such an important thing tucked away in an inconspicuous place in a bill such as the citizenship bill, although if it is to be related to a bill at all I can see that this is, perhaps, the best one to which to relate it. However, I should like to urge upon the members of this house the necessity of introducing at the earliest possible time a completely new bill which will be a real charter of Canadian liberties.

There is at least one government in Canada which has already recognized the necessity for such a thing, and I make brief reference to one such measure which has been laid down here in the dominion. I refer to bill 76, passed unanimously by the legislature of Alberta, which is known as "An act respecting the rights of Alberta citizens". I wish to quote two or three sections from it to indicate exactly what I mean by an enlargement upon freedoms already won. From part I of the bill I first quote sections 3 and 4:

> 3. It is hereby declared that every citizen of Alberta shall be free to hold and cherish his own religious convictions and to worship in accordance with the dictates of his own conscience.
>
> 4. It is hereby declared that every citizen of Alberta shall be entitled to enjoy freedom of expression provided that he does not violate the defamation laws in force in the province or the criminal code of Canada.
>
> 5. It is hereby declared that every citizen of Alberta shall be free in association with other citizens, to assemble for any lawful purpose in accordance with the laws in force in the province.
>
> 6. It is hereby declared that every citizen of Alberta shall be free to engage in the work of his choice which may be available to him within the province.

That is a statement of something which has not been included in any charter in this or any other country, and it is, I submit, an important freedom if people are to be in congenial employment. Next:

> 7. It is hereby declared that every citizen of Alberta shall be free to acquire land and enjoy the use of his home and property without interference or molestation, so long as he conforms to the laws in force in the province for safeguarding the lives, property and personal rights of other citizens.
>
> 8. It is hereby declared that every citizen of Alberta shall be free to do or refuse to do any act or thing within the limitations of the laws in force in the province, provided that thereby he does not infringe upon the same right of any other citizen.

I emphasize, Mr. Chairman, that that is one of the great freedoms for which the people of the world have fought; freedom of choice, without which there cannot be complete freedom of conscience; and I say that it is most important to have that laid down now in a declaration.

> 9. It is hereby declared that every citizen of Alberta of not less than nineteen years of age and not more than sixty years of age is entitled as a right of citizenship to,—
>
> (a) the opportunity to engage in gainful employment; or
>
> (b) if gainful employment is not available, to a social security pension.

That is, the right of the citizen to consume of the abundance which we produce, even if he has not the opportunity to labour.

These comprise at least some suggestion of the type of bill which might be brought into this House of Commons; and if the hon. member for Lake Centre, or anyone else for that matter, will bring in a bill of that type, a complete declaration of the rights of Canadians citizens, he certainly will have my support. If there is no prospect that a bill of that kind will be brought in and have a good chance to pass this house, naturally I am

bound to take the next best choice, which is to support the hon. member for Lake Centre in the amendment which he has proposed. But I really believe that it belittles such an important matter as a charter of freedoms and of the rights of individual citizens to have it tucked away in an inconspicuous place in a bill such as we have before us.

Finally, I wish to say this. The rights of citizens have been obscured through sixteen years of conflict, economic and military. And in discussions, political, economic and constitutional, which have taken place between the provinces and the dominion in their attempt to find a satisfactory allocation of the powers of government, we have completely overlooked the most important responsibility we have—the individual citizen of this country. He it is who should be considered; he is the man whose rights should be the fount and source of all the things we do. It is not for us to fight and bicker over what this government or that government shall have the power to do. It is for us to determine and define once again the rights and liberties of our people. Because the rights of our citizens have been obscured, I say it is high time that we clarified the whole situation. I am anxious for that clarification, and I suggest to the hon. member for Lake Centre or to anyone else that if he can see his way clear to bring in a bill of rights of Canadian citizens he will get the enthusiastic support of the group I represent.

Mr. CROLL: With reference to the amendment, I think the time has come for some positive action on the part of the government pertaining to a bill of rights. At this stage there is not much that can be said that has not already been said. I do not know whether this amendment in its present form will answer the purpose; I rather doubt it. I do not know whether it is wise at this stage to add another clause to the citizenship bill, nor do I think it wise to add a preamble. But I feel that a clear and concise statement on the matter of citizenship rights is long overdue, and I think this is a good time for us to consider a bill of rights which will act as a bulwark for the cause of free men.

In the past we have held the theory that the personal liberty of the subject has been fully protected by the British common law and by the Canadian constitution, but now we must face up to realities and realize that the liberty of the subject is not fully protected. I wish to prick the conscience of the committee for a few moments by recalling some episodes to hon. members.

I can well recall the padlock law, which was an abridgement of the right of assembly, and which is still a part of the law of one of the provinces. I remember well section 98 of the criminal code, which was an assault on the civil liberties of every individual in this country. It took years and years before we were able to get rid of it. I remember also references in this house to various deportations that took place at one time or another in Canada when men were arrested, whisked away, and before legal process could be put into force were taken out of the country.

Most members will recall vividly that the Japs in this country were deprived of both their natural and their legal rights, and I have not much to say about the most recent spy case, except to remark that it was an arbitrary use of government power.

These are not isolated cases. The other day I came across a case which I think will be interesting to the committee. It was reported in the Toronto *Telegram* of November 10 and reads:

> When customers of the Runnymede hardware store complained that they did not like being waited on by a Jew, Earl Fleming, the proprietor, discharged Joseph Moses, twenty-nine year old war veteran, and set off a spontaneous storm of protest from the Canadian Legion . . . Earle Burgess, of St. Thomas, president of the Canadian Legion's Ontario command, labelled such discrimination "a vicious thing which must be crushed by all right-thinking Canadians."

I bring this to the attention of the committee because we find here a man who was fit to fight but not fit to serve. The Toronto *Star* of that day carried an editorial in which it said:

> It is a disgraceful thing that a veteran, or anyone else for that matter, should lose his job in a Toronto hardware store because the customers "did not like being waited on by a Jew." The man in question was educated in the schools of the district in which he recently found employment after returning from service in France. He was good enough to serve his country overseas, but not good enough, it seems, to wait upon his fellow citizens when they were buying hardware. Those who complained about him and lost him his position should be ashamed of their narrowness and prejudice. They have the consolation of knowing that their attitude is exactly that which Hitler approved and practised.

The Toronto *Globe and Mail*, which has always put up a good fight for civil liberties, had this to say:

> There are no words of condemnation too harsh to apply to the people in the neighbourhood of Runnymede store, who took it upon themselves to protest the employment of a Jewish war veteran as a clerk in the store. Complaint was not based upon discourtesy or inefficiency, which might have been a legitimate reason for objection, but simply because the young man was a Jew. It is a disgrace to the whole community that such barefaced prejudice should exhibit itself in this manner. It is the negation of everything that the word British should convey.

Further down.

The least favourable aspect of this matter is that these prejudice-ridden people were depriving of his job a young man who had willingly risked his life in their defence in the armed forces of the country. He was in the army for three years, and saw active service in Europe. As he has justly said, no one told him he wasn't good enough to serve on account of his religion. All too little credit has been given to the Jewish people in Canada for the extent of their war effort, for that matter. On the most conservative estimates, not counting those who may have served in other allied forces, no fewer than 10,116 Canadian Jews served in the army, 5,870 in the air force, and 573 in the navy. These comprise ten per cent of the Jewish population, a most admirable record. Of the 800 casualties, more than 200 made the supreme sacrifice. More than 165 won decorations.

Again:

In the light of all this, it might be asked when some Canadians are going to become mature. Those who criticize or display prejudice against any racial or religious group are vulgarians. They are consumed with an envy for obvious talent, or resent the willing capacity for hard work. It is time they put aside such unworthy attitudes and agree to live and let live. Because certain mean people vented their evil spite upon a man whose only crime was a difference in religion and ancestry, the whole community is a meaner place in which to live. It is time these displays of prejudice were stopped.

I would point out that the name of this hardware store was the Runnymede—a historic name indeed; for it was at Runnymede that the first blow for freedom was struck. I put this to the committee: Who understood better the lesson of Runnymede, the soldier who was deprived of his job or the people who had complained?

I pass on to my next point, which is this. Our people need education in citizenship. It is important that the laws be codified and be added to, and it is important also that we put upon our statute books a bill of rights in order to protect people not only against other individuals but against governments, yes, against governments which are sometimes colour-blind.

It is often necessary to restate principles that appear only too obvious. I know the argument used is that if you write a law you narrow it, but it is better to make it too narrow than to have it entirely neglected. I do not think the present amendment covers the ground. I do not think the mover felt that in forty-four words he can write a bill of rights, although I should compliment him on the words he carefully used. We should serve notice upon this House of Commons and upon those who are responsible, that the battle is on; that the members from all sides of the house have just started to fight; that the forces are now deployed; that we do not intend to give up at the present time, and that the government is now notified that we intend that it shall in due time produce a bill of rights which will be acceptable not only to the members of the house but also to the country at large.

Mr. MacINNIS: Before the hon. member for Lake Centre speaks I wish to say a few words. Most hon. members would be favourable to a bill of rights that would outline adequately, or as adequately as we can, the rights of the Canadian citizen. I believe the hon. member for Lake Centre would be the last person to say that his amendment has done that. He has made an attempt to do that, but I believe that no sooner had he written it than he realized its shortcomings.

One thing of which I am sure, is that a bill of rights should not be made a part of a section of this bill. If a bill of rights is to be put into this bill at all it should go in as a preamble, and then it would become a guide to those who must interpret the citizenship act. But I wish to say something tht has not been said in the long debate on this amendment, namely, that no matter how broad and comprehensive a bill of rights may be it will not protect the rights of the citizens of Canada unless there is the will to protect them.

Mention has been made of the fact that in the United States they have a bill of rights written into the constitution, but it does not mean that every citizen in the United States is assured of his rights within the constitution. Those of us who have been close to affairs during the last thirty or more years realize that, despite the United States bill of rights, in that country things have been done to its citizens that would make any citizen of any country blush with shame. What happened during the war of 1914-18? As a matter of fact there were very little rights that any one had in the United States. Undoubtedly things have improved in the last few years. We hope that they will go on improving because there is still need to extend and broaden the rights of the negro in the United States, and he is a citizen. Therefore I would say that unless we in Canada have the will to protect essential rights, regardless of what we have in this bill or in the constitution, those rights will not be protected.

I do not believe that we can go so far as to say there can never be any interference with a citizen's rights that we would put in a bill. The time may come in the life of a country when, for the preservation of its life, it must, like an individual, take action which may at times seem to us arbitrary and cruel. But the times in which this action must be taken

should be very few, and the people should always be on the alert to see that the government does not go too far.

We remember that, after the fall of France, thousands of people who had come into Great Britain as refugees and who had been extended the protection of the British government and the constitution were swept up all at once and interned. The authorities considered that this action was necessary at that time because the preservation of the state itself was the most important thing that faced the people. But that did not continue very long. As soon as conditions became a little more stable they began sifting out the good from the bad and getting back to normal. Some of them came over here. They sent a representative over here, and those of us who heard him speak before the defence of Canada regulations committee really got an earful of how the British people respected the rights of individuals, excepting in moments of great peril.

Mr. MARTIN: Mr. Patterson.

Mr. MacINNIS: Yes, that was the name. The hon. member for Spadina said that we need education in citizenship. We need education in more than that; we need education in tolerance and in human rights. Once we depart from dealing with man as man, there is nothing to indicate where we are to stop. It is a well known fact that Hitler began with the persecution of the Jews, but he ended up by depriving everybody in Germany of liberty. We have come pretty close to that in Canada. Until we get away from that and consider the rights of every human individual we are not going to protect those rights as they should be protected.

The principle of the amendment is something that I would support, but the amendment itself is so restricted in its terms that I do not see there is anything to be accomplished by adding it to the bill.

Mr. MITCHELL: To a large degree I agree with the hon. member who has just spoken. His remarks were like a breath of fresh air in this debate. I believe in the British way of doing things. We have heard a lot this evening and in previous days on this debate about the bill of rights. What we need to-day is a bill of responsibilities. This evening I was asked a question by the hon. member for Rosetown-Biggar with respect to certain conditions in this country. The hon. member for Vancouver East knows about them as well as I do. He knows their policy and their approach to industrial relations. He knows they say: "We are not going to obey the law; we are going to take the law into our own hands."

I get tired of hearing people talk so much about rights and not enough about responsibilities. The mere fact that something is put down on paper does not always ensure its application. I have had some experience with the labour movement in this country and in Europe. While I am not going to name countries, I would point out that one of the Balkan countries approved more conventions of the international labour office than any other country in the world. Yet I think it fair to say that industrial conditions in that country were possibly the most backward in Europe. My hon. friend the leader of the Social Credit party read a bill of rights which I think was passed by the legislature of Alberta.

Mr. LOW: Yes, unanimously.

Mr. MITCHELL: I hope my hon. friend will not find fault with me when I say I did not notice in that bill of rights anything about $25 a month.

Mr. LOW: The minister might notice that it would be more if proper pension arrangements were made.

Mr. MITCHELL: Just a moment. My mind goes back to when that government was first elected; at that time I was chairman of a commission which was touring western Canada. Let me say to my hon. friend that for a good, clean government that of Alberta is equal to any in the Dominion of Canada in matters of day-to-day administration. But we must remember that in some sections of Canada we have large bodies of people who have come from persecution to freedom almost in one jump. They do not altogether understand the workings of democracy as they are understood by those of us who for generations have been trained in that direction. I remember many of those simple souls out there really thought that one month after that election they would begin to receive $25 every month. I believe in the British way. I am opposed to putting it down on paper, as has been suggested by my hon. and good friend from Lake Centre. As the hon. member for Vancouver South has said—

Mr. MacINNIS: Vancouver East.

Mr. MITCHELL: I keep on saying "South", but I do not believe the hon. gentleman would have received the same majority in Vancouver South that he got in Vancouver East.

I think it is far better done by precedent and understanding of the basic principles of our institutions; and I thought I would just put forward the point of view that with rights go responsibilities. I think rights have been established in this country. Some hon. gentle-

men have talked about people in this country who were arrested for breaking the oath of office they took upon assuming office as civil servants; that was also mentioned by the hon. member for Spadina. I never thought I would live to see the day when anybody in Canada would be charged with an offence of that description. When one reads the press and listens to some of the speeches one would almost think some of these people had won a military decoration, or the Victoria Cross. They will be prosecuted by due process of law; and as the hon. member for Vancouver East rightly said, the government, charged as it is with responsibility for the safety of the state, under certain circumstances has to do many things it would not do under normal conditions.

During the war we had to have selective service of a kind and character that I never thought we would have in Canada. My ministry was given the power of direction over the lives of the men and women of the country to an extent that never existed before, and that condition still exists in Great Britain. As to the communist philosophy, I am one of the few people in this house who have been to Russia. Just take a look at that country when you talk about democracy! I think this is the first thing to say, that in a comparative sense the degree of freedom existing in Canada to-day is equal to that existing in any other country. I hope we shall have the good sense to maintain the procedure adopted by the people of Great Britain and all the British countries, and let the broad and basic principles of freedom stand on the basis of the common law and those other things which have made this and the other countries of the British commonwealth what they are.

Mr. SMITH (Calgary West): All of which is said "in a kindly way".

Mr. MITCHELL: I did not say that.

Mr. IRVINE: I wish to take just a few moments to mention a point which so far I do not think has been sufficiently emphasized in this discussion. Let me say at once that I am in full agreement with the sentiments expressed in the amendment. If I thought that was the only thing we could get I would favour voting for it, and probably I shall vote for it anyway just because it contains sentiments with which I am in agreement. But I hope it will not be taken in lieu of a real bill of rights. I also hope this parliament will not be satisfied with a mere reiteration of principles of rights, some of which were passed centuries ago, and not in this country at all. While these principles still have a value and we would wish to retain them, yet there are other phases of liberty which we have never tasted and which I conceive should be fundamental in any bill of rights we might draw up.

The minister who has just taken his seat says he believes in what he calls the British way, of not writing it down on paper. I do not think there is any harm in doing that, but of course I agree with him that if that is all you do you are not doing much. But he is in an enviable position. If I were where he is and could write these things into the lives of the Canadian people by actions, I think it would be great; and if he will do that we shall not clamour for any bill of rights whatsoever. I agree that merely declaring something does not make it so. The hon. gentleman to my left has given us an outline of an admirable bill, in sentiment, passed in Alberta. These declarations have some value; they are at least declarations of faith, if nothing else; they are a declaration of the objective a nation sets for itself. But merely to declare that we shall have this liberty and that liberty will not give it.

The main point I wish to make is this. I want to see a bill of rights that will be up to date, that will put into legislation and practice in the economic, social and educational life of Canada those principles of liberty which I think we all conceive to have been the objectives of the men who fought in the last great war. I want to emphasize that the very basis of that must be economic liberty, for there can be no liberty in any country in which one individual must depend for his right to live upon the right of somebody else to hire him. We have seen too much of that kind of bondage. So that whether or not this amendment passes I hope it will not be regarded in this house or in the country as a complete bill of rights. I have the hope, expressed by my hon. friend to my left, that during this or next session a carefully prepared bill of rights will be brought in, which will begin with economic liberty and go on from that to restate in the most modern way possible all the other liberties which flow therefrom.

I believe the instances brought to the attention of this committee by the hon. member for Spadina are a disgrace to Canada. I hope that those hon. members who heard that will feel as I do about it and protest against it. The circumstances which we all know are prevalent in this country where men cannot find work, where men have not sufficient income to maintain their families and give them an education—all this is a negation of our liberty. A country abounding in wealth as this one is should be ashamed

to know that such things exist. That is something I wanted to emphasize because it is not included in the amendment. A bill of rights should make economic liberty the basis of all liberties we desire to see in this country.

Mr. MACKENZIE: Mr. Chairman, I think in every way this has been a most constructive debate. Apart altogether from the appropriateness of the amendment moved by the hon. member for Lake Centre in regard to what is in my opinion a most important bill in this Commons of Canada, I think we shall all agree that basically we are not very far apart. I have, as one who was born and bred where freedom had to be fought for, where fredom was denied and defied, heard with some cynicism the nonsense that has been talked in this house about magna charta and the Bill of Rights. After that declaration given to the barons at Runnymede, after the Bill of Rights and the various reforms, everything was broken up by wars of tyranny.

A few years after Runnymede we had to fight at Bannockburn in Scotland in 1314. We had to fight again for our very existence at Flodden in 1513. This, despite all the great charters and rights which you prate of so greatly in this Canada, a country largely made up by those who loved freedom who came from Scotland. The hon. member for Vancouver East reminded this committee of that the other evening. His people were the victims of tyranny in the highlands and so were mine. My grandmother's house was burned down because of tyranny and oppression. Where then was your bill of rights? Where then was your Magna Charta? Where then was your declaration of rights?

The hon. member for Vancouver East never said a truer thing in his life than when he said to-night that human rights, political rights and economic rights cannot be defined by charter. Basically and fundamentally they are in the soul and spirit of man. I think everyone of us in this chamber knows a little about the history of Canada. You had to fight in Canada for your rights. You are fighting for your rights to-day in Canada. No one can convince me that because of a matter of procedure which may affect the right of personal and political liberty you are going to destroy the fundamental rights of freedom. A poniard has been planted at the back of our nation, and when that happens it requires drastic remedies. Sometimes we have to sacrifice these personal liberties which may mean so much, and which I think I love as much as anyone, in order to preserve and maintain the freedom and strength of our nation.

You have the rights of the provinces in Canada. You have the rights of the federal authority in Canada. You have economic rights in Canada. You have fundamental human rights. Do you think for one second that this miserable, anaemic amendment meets the fundamental and basic problems of the rights of our people as Canadians, as Liberals, as Conservatives, as socialists or as those who come from Alberta? Like my hon. friend who spoke, I was amazed and ashamed. No one in this house has a higher respect for the hon. member for Peace River than I, but according to our accepted doctrines, what was the most wanton violation of fundamental rights that ever took place in this Dominion of Canada? It was that futile and fatuous measure by the former premier of Alberta who attempted to deprive men of the right of return on proper investment in the province. That may be right; according to the doctrines of the future, Alberta may be right. We are moving fast these days.

British Columbia has denied the franchise to orientals. Others think we are wrong, but we think we are right. Who here says that we are wrong?

Mr. PROBE: I do.

Mr. MACKENZIE: Who says that?

Mr. PROBE: Right here.

Mr. MACKENZIE: What a feeble voice heard alone!

Mr. PROBE: The hon. minister says—

Mr. MACKENZIE: The hon. member for Regina City has almost vindicated himself by his sudden appearance from his seat in trying to justify his miserable effort of just a moment before. Manitoba has Manitoba rights. Can anyone say that the great pioneer province of them all, Ontario, has no great Ontario rights. What about the province of Quebec, that province which I love? Why? For four hundred years the Scots brigade fought the battles of France. For once in history the Queen of France became Mary, Queen of Scotland. Have they no rights? What about Nova Scotia? Sometimes Quebec has too much pride. Do not forget Alexander who came to Nova Scotia in 1622. Do not forget the *Hector* which came to Canada in 1773. Do not forget the Selkirk settlers who came in 1811.

Did they come to Canada because of any bill of rights? They came to Canada to get freedom, and they got freedom in this country. They nursed and cherished that freedom, and because of that we have freedom to-day in this Dominion of Canada. The hon. member for Lake Centre and I are very close together

in this thing, but I suggest to him to-night that this is far greater than this trivial and piffling amendment dealing with three simple rights among a multitude of rights.

Why cannot we in this parliament get together on this issue? Why cannot all parties form a committee to consider these things apart altogether from this bill? If necessary, that committee could call in advisers from the various provinces.

Mr. DIEFENBAKER: Is that not what I suggested?

Mr. MACKENZIE: It is not what this piffling amendment says at all, and that is why I say we cannot support the amendment. We should have a joint committee to go into this matter calmly, thoroughly and completely. I think we are all animated by the same great human desire to analyse as far as we can and with due consistency our historical rights, the rights of the provinces, of the federal domain, of labour, of industry and all the various other rights that may be involved. Then in a time, not too long away, we can fashion and evolve a declaration of principles if you like—a bill of rights has a somewhat obnoxious significance to my mind because of my little knowledge of old country history—a declaration of Canadian principles containing the real stuff of freedom, the principles for which our people have fought and are now fighting.

May I say to my hon. friend that the place for that is not in connection with this bill; the place for it is in those terms which may be brought to reality in a year or so from now, terms which would contain a joint declaration of this parliament and sent, if necessary, for such comment as might be made upon them to the provinces of Canada. And thereby may I say with the greatest possible respect for my hon. friend, whom I deeply respect that we shall be worthy of the traditions of this great country of ours, and worthy of the great principles of freedom of the various provinces, and so build a charter worthy of the future of this nation which we all jointly love.

Mr. LOW: Mr. Chairman, in his efforts to achieve the championship of political opportunists in Canada the Minister of Veterans Affairs has made some pretty wild statements in addition to some that were fundamentally sound.

Mr. MacNICOL: Mostly wild.

Mr. LOW: Pretty wild. There is one thing that I should like to ask the minister to be good enough to repeat, because in his exuberance he lapsed at times into his native tongue and it was difficult for me to understand him.

[Mr. Mackenzie]

Mr. MACKENZIE: That is one of my rights.

Mr. LOW: It is also my right when the minister attacked a man who is now dead and not here to defend himself, to ask the minister just what it was that he said, and I will proceed to take him to task myself when he repeats what I think he said. I want to know what it was the minister said about my former leader in the province of Alberta. I understood him to say that he had divested people of their property and civil rights. I should like to know if that is what he meant, because, if so, I want to answer it. What was the minister referring to, if he does not wish to repeat his statement?

Mr. MACKENZIE: I was referring, Mr. Chairman, if I am bound to reply, and I think I am—

The CHAIRMAN: The hon. member is not bound to reply.

Mr. MACKENZIE: I should like to reply. I was referring to a radical departure in financial policy which was sponsored by the government of Alberta and which in my humble judgment was a derogation of honourable agreements made by the province with those to whom it had financial obligations.

Mr. LOW: As I said, that is attacking a dead man who has no chance to answer.

An hon. MEMBER: Laurier is dead too.

Mr. LOW: That is so, but that is a different matter from calling a man by name in the tone and with the feeling with which the minister attacked a man who is not here to defend himself.

Mr. MACKENZIE: May I say at once that I have the greatest possible respect for Premier Aberhart.

Mr. LOW: There is one thing I should like to say in reply, and that is that the minister himself, if he were faced with the situation with which the then premier of Alberta was faced in 1935, would have done exactly the same thing that the then premier of Alberta did.

Some hon. MEMBERS: Order.

Mr. LOW: I am speaking of rights now which is what we are discussing on this bill and I am not going to be hushed by any politicians on the other side of the house. I have a right to say what I am going to say.

The CHAIRMAN: Order. No hon. member will be hushed in this house, and there is no way of hushing any member. The sug-

gestion is not a proper one. I would remind all hon. members that we are considering an amendment which has been moved by the hon. member for Lake Centre and that all remarks must be relevant to that amendment.

Mr. LOW: I am speaking now, Mr. Chairman, to the amendment. I am speaking of fundamental Canadian rights as represented in the amendment of the hon. member for Lake Centre, and I am answering a charge in respect of those rights made by a responsible so-called,—minister of the crown.

The CHAIRMAN: The hon. member should not use the word "so-called" in that sense. It is entirely improper.

Mr. LOW: "So-called" was in reference to the preceding word and not to "minister of the crown". I am dealing now with fundamental rights of Canadian citizens, and I say that if the hon. minister who is leading the government in the house to-night had been in the position the then premier of Alberta was in in 1935 he would have given exactly the same consideration to the fundamental rights of Alberta citizens that the then premier of that province gave. There are rights of bondholders, it is true, and rights of holders of contracts, but those rights cannot be enforced completely if it means the destruction of the people who signed those contracts made in good faith. I say to you, Mr. Chairman, that when a man goes before a group of people who hold contracts and says to them: The best we can do is to pay one-half of the interest rate—

Mr. MARTIN: Mr. Chairman, I rise to a point of order, not to take issue with the hon. gentleman, but I am sure he will appreciate that this bill has been under discussion for a long time and that every hon. member has had a full and complete opportunity to discuss it. I do not wish to interrupt the hon. gentleman, but he is clearly out of order now and I would ask him with great respect kindly to confine himself to the amendment. I am sure he will appreciate that, as the minister conducting the bill, I am anxious to have it passed as quickly as possible without eliminating any necessary discussion, but the matter he is now discussing is clearly not relevant to the amendment.

Mr. LOW: Mr. Chairman, I understand that, and I shall respect the minister's request, but if I am to keep my seat and not be able to answer the minister I ask respectfully that the Minister of Veterans Affairs withdraw his statement and have it expunged from the record.

Mr. MACKENZIE: I shall be most happy to withdraw it.

Mr. STEWART (Winnipeg North): The Minister of Veterans Affairs started off with a vision which by the end of his address became almost a fact. May I ask whether his suggestion is an indication of what government policy may be with respect to a bill of rights, or was it just his own hope?

Mr. MACKENZIE: I shall be glad to discuss it with the members of the government. It would be my wish to have this done as I said. I had a moment's consultation with my colleague to my left and he agrees with what I said.

Amendment (Mr. Diefenbaker) negatived.

Section 10 agreed to.

On section 16—On acquisition of other nationality.

Mr. HACKETT: On this section I wish to ask the minister a question or two which possibly might have been asked when sections 9 and 10 were under discussion. It appears from section 16, if I grasp its purport, that a Canadian woman may in certain circumstances renounce her nationality. I wish to ask the minister if the bill before the committee confers Canadian citizenship upon an alien woman who marries a Canadian citizen?

Mr. MARTIN: No.

Mr. HACKETT: And does a Canadian national woman who marries an alien man by the fact of marriage become an alien?

Mr. MARTIN: No; she certainly does not lose her Canadian nationality by the fact of marriage alone.

Mr. HACKETT: That is a departure from the rule which has obtained in Canada and still obtains at the present moment, is it not?

Mr. MARTIN: In other words, under this bill women are given the right to control their own status. That is a very progressive step.

Mr. HACKETT: A very progressive step? Will the minister say for the information of the committee if there is any other place in the British commonwealth of nations where a similar rule obtains?

Mr. MARTIN: At the conference of the Hague in 1930, where these matters were discussed and where commonwealth countries among others were represented, the general conclusion of that important gathering was that this was one of the steps that should be

made. Legislation, or a provision in this particular, now exists in the United States and one or two other countries.

Mr. HACKETT: I am aware that the United States some few years ago departed from the rule of domicile; but my question was, is there any dominion, is there any country in the British commonwealth of nations in which the rule which appears to be embedded in the bill now before the committee is in force?

Mr. MARTIN: In the first place I do not think this arises under section 16. I do not want to prolong discussion of a matter that is already dealt with. I think my hon. friend will find that about two years ago Australia made a move not completely along this line but somewhat along this line.

Mr. HACKETT: It is my information that nowhere else in the British commonwealth of nations, nowhere else in the area that was known as the British empire, has there been any departure from a rule which has obtained—

Mr. MARTIN: Mr. Chairman, I rise to a point of order. We have already dealt with the section which deals with the separate status of women; we are now dealing with another section altogether, and I think I must ask you to keep the discussion to this particular section.

Mr. HACKETT: I hope the minister is not going to attempt to be technical in discussing a matter which is one of the most important in the bill.

Mr. MARTIN: Mr. Chairman, I must rise to the point of order again. It is not what I want; it is what the rules of the house provide. Surely under this section the hon. gentleman is not in order in discussiong the status of women. We have passed that section. There will be an opportunity later for the hon. gentleman to make his references on that point, but we are now dealing with loss of Canadian citizenship, which has nothing to do with the separate status of women. I submit that the hon. gentleman is not in order.

Mr. HACKETT: Mr. Chairman, I hope that it will not be necessary to go into a long argument on whether or not I am in order. I would draw to the attention of the minister that a cursory reading of section 16 shows that the very question which I am discussing is the status of women arising out of marriage; and even were I a little bit on the margin I do not think the minister would wish to be over-technical in discussing a matter of this importance.

Mr. MARTIN: Mr. Chairman, may I have your ruling I do not want to be over-technical; but we have had a lot of discussion of this matter—

Mr. HACKETT: Then—

Mr. MARTIN: May I just complete it? Consequently, as the minister conducting the bill, I have no other position to take than to ask that we discuss this particular section. We dealt with this matter, and the hon. gentleman on another occasion will have his chance. But on this section he is out of order, and, Mr. Chairman, I would ask your ruling.

Mr. HACKETT: Just a moment, Mr. Chairman. I should like to say a word on the point of order. I am talking about, or attempting to discuss the status of women resulting from marriage. I shall now read section 16:

> A Canadian citizen who ,when outside of Canada and not under a disability, by any voluntary and formal act other than marriage, acquires the nationality or citizenship of a country other than Canada shall thereupon cease to be a Canadian citizen.

The point is that in certain circumstances a Canadian woman, by a voluntary act other than marriage, may yield up her Canadian citizenship. I am debating and hope to be permitted to debate the issue which arises from her marriage to an alien, and I submit with great deference that it requires very slight imagination to see that I am speaking of something which is entirely relevant.

The CHAIRMAN: In committee, of course, considerable latitude is given with respect to a matter that arises in a section. There is a reference here to marriage, although there is no mention either of men or women; therefore it would appear to relate to either men or women. I would ask the hon. member to make his remarks relevant to section 16, upon which the note is, "on acquisition of other nationality."

Mr. HACKETT: I shall endeavour to keep within the limits of your suggestion, Mr. Chairman, but my effort at the moment is to discuss the effect of marriage in its application to citizenship as stated in section 16. I hope that the minister, who has given a great deal of time to the study of this bill and who possesses a great deal of information cencerning it, will be good enough to tell the committee why an age-old rule, based upon the integrity of the home—

Mr. MARTIN: Mr. Chairman, I must again ask you to request the hon. member to deal with this particular section. We have dealt with the disability sections in so far as they

apply to women; we have passed those sections; now we are on a matter which merely has to do with the acquisition of nationality or citizenship by any voluntary act other than marriage. It specifically excludes the question of marriage. To discuss the status of women under this section would certainly stretch the meaning of relevancy to a point which I do not feel, conforming to my responsibility under the rules of this house, I can possibly accede to.

Mr. HACKETT: If the hon. gentleman would endeavour to stretch his sense of responsibility to the house to the extent of observing the ruling of the Chairman, he would give a much better example to the house than by attempting to evade a question with respect to a departure from a fundamental rule of citizenship that has obtained for centuries.

The CHAIRMAN: Order. I have given my ruling and I think it is clear. There is in the section a reference to marriage and the hon. member may wish to strike out the words regarding marriage. I do not know what his intention is, but I believe my ruling was clear and I would ask the hon. member to confine his remarks to a discussion within the four corners of the section.

Mr. HACKETT: I would be grateful indeed if the hon. gentleman would enlighten the committee as to the reason for departing from the rule that has obtained for centuries in all British countries and which is still the rule in Canada, a rule that is set forth in section 13 of the Naturalization Act, which declares that the wife of a British subject shall be deemed to be a British subject and the wife of an alien shall be deemed to be an alien. If section 16 be enacted it will be a complete departure from the rule that is set forth in the statute and included in the statute which amended section 13, which was passed in 1931. It would be most enlightening to the committee if the hon. gentleman would give us the reasons for this radical departure. I would be grateful to him if he would give an explanation of some length.

Mr. MARTIN: As I said, dealing with the relevant sections and in my statement in chief, we felt in framing the bill that we should treat women as persons and give them the right to have their own nationality just as well as men. I am sure the sole woman member of this house will agree to that.

The CHAIRMAN: Does the section carry?

Mrs. STRUM: May I ask the hon. member for Stanstead a question?

Mr. HACKETT: Certainly.

Mrs. STRUM: Do you mean to say that you are opposing that?

Mr. HACKETT: I am sorry that the hon. member has been absent from the house. It was my endeavour to oppose it and I shall be happy to set forth the reasons upon which that opposition rests.

Mr. MARTIN: Kindly do it on the relevant section.

Mr. HACKETT: There must be a little confusion in the minister's mind as to what constitutes relevancy, and this confusion seems to be a little more marked when he finds the answer to a question embarrassing. Let us consider for a moment why I am asking these questions. I am one of those who believe in the integrity of the home. Marriage brings about a union which is the foundation of the home. There are many influences—more to-day possibly than there used to be—which appear to be undermining the integrity of the home. I am one of those who believe that when a man and a woman marry they set up a partnership, a union in which there should be complete harmony and understanding, and the elimination, in so far as possible, of everything that may disturb that union. However, I should be very glad if the minister would say what is the reason for departing from a rule which has obtained from the very genesis of the existence of separate states. I recall that in Roman law the bride said: "And your people shall become my people and your gods my gods". The minister must remember the old French adage, "qui prend mari prend pays". She who takes a husband assumes his nationality and becomes a citizen of his country. But I am interested in knowing the reason for the departure. Has anybody asked for it? If so, who?

Mr. MARTIN: Having taken the position I did as to the relevancy of the hon. gentleman's point, I hesitate to give a reply in view of the ruling of the Chair. The hon. member was not in the house when we discussed the disability sections of the bill. He asks what made us do it. I am afraid—and I say this with great respect to him—that if there is anything that distinguishes his group from those on this side it is the inability to realize that women who rear children, women to whom he did pay tribute to-night, in this day and age are persons just as well as the sex to which he and I belong. If they are entitled to own property, to sit in parliament; if they are entitled to be designated persons by the judicial committee and to take their place in the upper chamber, then surely this house will

support the government in declaring that women have the right to separate national status.

The CHAIRMAN: I have given the hon. member for Stanstead wide latitude, as I believe all hon. members will agree, but I do not think we should revert to the general question of disability.

Mr. HACKETT: May it please the Chair—

The CHAIRMAN: I would ask the hon. gentleman to confine his remarks, with respect to disability, to the meaning within section 16.

Mr. HACKETT: I should like to know if the minister is aware that in the United States, for instance, the estates duty—succession duty as we call it here—is imposed upon the estates of citizens of the United States, and that if this section and other sections which are cast in the same spirit are finally passed and became law, the estate of an American woman, a citizen of the United States, married to a Canadian citizen and retaining her nationality, would be subject to taxation in the United States. Her estate would be taxable in the United States because she is a citizen of the United States. Her estate would be taxable in Canada because she would be domiciled in Canada, and the result would be that her estate would be liable to double taxation. Would the minister advise the committee—

Mr. ABBOTT: Could we not discuss this question on the budget?

Mrs. STRUM: Is the hon. member worried about the double taxation or about the sanctity of the home?

The CHAIRMAN: Does section 16 carry?

Mr. SMITH (Calgary West): I wish to ask a question.

Mr. HACKETT: Would the minister be good enough to answer my question?

Mr. MARTIN: It certainly has nothing to do with this section.

Mr. HACKETT: It has a great deal to do with it. If a lady who is a citizen of the United States marries a Canadian citizen who is a man and she retains her citizenship, her estate at her death is liable to taxation in the United States where, under their estate tax, taxation rests upon citizenship. In Canada our inheritance tax rests upon domicile. I am asking the minister whether he will be good enough to inform the committee if he has examined that phase of the situation which will result from the enactment of the bill which is before the committee?

The CHAIRMAN: Order. I have listened carefully to the question of the hon. member for Stanstead. I would draw his attention to the fact that this section is related to disabilities other than marriage, and consequently his question is out of order.

Mr. HACKETT: May I speak to the point of order?

The CHAIRMAN: No; I have given my ruling.

Mr. HACKETT: Yes, but you have not allowed me the privilege of speaking to the point of order. I would respectfully ask that I be permitted—

The CHAIRMAN: Order. I have given my ruling. I have ruled that the question of the hon. member is out of order. The hon. member for Calgary West has the floor.

Mr. HACKETT: I should like to speak to the point of order.

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

Mr. SMITH (Calgary West): I wish to ask the minister a question. I do so very humbly. I say that for this reason: I have endeavoured to attend this long drawn-out discussion. Any discussion that I have missed I have read in the record of our proceedings. I do not want to be told that it was covered two or three weeks ago because my memory does not extend back that far.

Would the minister enlighten us on his views as to this whole question of dual nationality? To my mind it is a—

Mr. MARTIN: Section 17 deals with dual nationality.

Mr. SMITH (Calgary West): Am I in the wrong corner? With respect, Mr. Chairman, my submission is that we are dealing with a section which gives dual nationality to a woman; therefore a question with respect to dual nationality clearly comes under section 16.

Mr. MARTIN: Section 17 deals with that question. I shall be glad to deal with it when we come to that particular section.

Mr. SMITH (Calgary West): With great respect may I say to the minister through you, Mr. Chairman, that section 16 deals with dual nationality.

Mr. MARTIN: May I point out that section 16 deals with the acquisition of nationality through voluntary acts other than marriage.

Mr. SMITH (Calgary West): Yes, but the whole—

Mr. MARTIN: The whole question of dual nationality is covered by section 17, which we still have to pass. It is one of the remaining sections that we allowed to stand.

Mr. SMITH (Calgary West): I am saving the minister a lot of time. If I ask the question now he will not have to bother with it when we come to section 17. Obviously dual nationality is covered in section 16. That is what we are dealing with. The minister is saying that it does not exist under one condition. However, I shall be very happy to wait.

Mr. MARTIN: Thank you.

Mr. SMITH (Calgary West): Except that I have certain engagements later on.

Mr. HACKETT: I should like to point out to the minister that ladies are persons; that Canadian citizens who are females are persons, and the fact that they have rights is hardly an answer to the point that has been raised here. The point is whether a home that results from a marriage is to be divided, and whether there is anything that has overtaken us in the last year or two which makes it desirable that there should be two nationalities in the home?

Mr. MARTIN: Mr. Chairman, may I call your attention to your ruling and I am sure the hon. gentleman will observe it.

Mr. HACKETT: I say with great respect—

The CHAIRMAN: I have given my ruling.

Mr. IRVINE: Tell him again.

The CHAIRMAN: I do not think I need to repeat it. I hope the hon. member for Stanstead will respect it.

Mr. REID: When this section was up before the committee the last time, some of us were asking the minister certain questions, and it was held over for further consideration. I am going to move an amendment to section 16, to take care of the matters which were discussed when the bill was before the committee, and to which no answer was given to the questions asked of the minister. My amendment will delete four words from lines 16 and 17. If hon. members will look at lines 16 and 17 of section 16 they will see that the four words I am asking to delete are as follows: "when outside of Canada". The section would then read:

A Canadian citizen who, and not under a disability, by any voluntary and formal act other than marriage, acquires the nationality or citizenship of a country other than Canada shall thereupon cease to be a Canadian citizen.

That will take care of the matter. This amendment would cover all those both inside and outside Canada.

Mr. GREEN: That was one of the points I meant to suggest to the minister in connection with this section. It would repay members of the committee to read this section carefully because it is an important one. I have detected a tendency, or what I thought was a tendency, on the part of the minister, not to pay much attention to the loss of citizenship, but rather to spread the cloak of citizenship over as many people as possible. It is not quite that simple. We must give careful consideration to the loss of citizenship. There are certain people who are not entitled to have Canadian citizenship, and this committee should bear that fact in mind. The section reads:

A Canadian citizen who, when outside of Canada and not under a disability, by any voluntary and formal act other than marriage, acquires the nationality or citizenship of a country other than Canada shall thereupon cease to be a Canadian citizen.

The provision is that he must do some voluntary and formal act other than marriage. By acquiring the nationality of another country he then will lose his Canadian citizenship. But he can do that only if he is outside Canada; in other words, if he does that act within Canada he cannot be deprived of his citizenship. I think the amendment of the hon. member for New Westminster meets this last situation, and is therefore very much to the point. But I suggest to the minister that some provision should be made in this section by which the man who serves in a hostile force loses his Canadian citizenship. The other evening I instanced the Canadian-born Japanese—

Mr. MARTIN: I shall have an amendment along that line for section 17.

Mr. GREEN: I agree there should be such an amendment to section 17, but why is it not put in section 16 also?

Mr. MARTIN: I shall explain shortly.

Mr. GREEN: If a Canadian-born Japanese served in the forces of Japan, and there were instances of that, then he should be deprived of his Canadian citizenship, and I suggest that section 16 should be amended accordingly. Another reason why a man in Canada should be deprived of citizenship if he does an act by which he acquires the citizenship of another country is that actions of that sort have already been taken in Canada. Take the case of the citizen of another country who appears before his consul in Canada and does an act that substantiates his citizenship in that other

country. There is no reason why he should also retain his Canadian citizenship. Last November in Vancouver one of the Russian officials from Ottawa took applications from former residents of Russia. I have here a newspaper clipping—

Mr. MARTIN: He was not renouncing citizenship in that case, was he?

Mr. GREEN: Here is a picture of the Russian official and the applicant appearing before him. Underneath we find this caption:

Becoming U.S.S.R. citizens—Fifty B.C. residents a day are registering for Soviet citizenship at the Marine building offices of the commercial counsellor to the embassy of the U.S.S.R. in Canada. They are former citizens of the western regions of the Ukrainian and Belorussian Soviet Socialist Republics who have not taken out Canadian citizenship. V. G. Pavlov, representative of the consular division of the embassy, is seen above registering a former Polish citizen.

Mr. MARTIN: They were not citizens.

Mr. GREEN: Apparently they had been residents of Russia at one time. But before Japan struck she took a census of the Japanese in Canada, and Japanese residents here complied with the census regulations of that country. From time to time actions of that kind are taken by people who are nationals of other countries. I submit to the minister that when they do such things they should lose their Canadian citizenship, and I suggest that he should consider adding the words "or acknowledges" after the word "acquires" so that the section would read "by any voluntary and formal act other than marriage, acquires or acknowledges the nationality or citizenship of a country other than Canada." The act done by that person may not be sufficient to make him a citizen of the other country, but his intention may have been to become a citizen of that country. In other words, if he acknowledges another nationality or another citizenship, then there is no reason why he should retain Canadian citizenship. As the section now reads, it is too restricted. Persons will lose Canadian citizenship only when they actually acquire another citizenship, and I am suggesting that where they acknowledge another citizenship, though in fact they may not have acquired it, they should lose Canadian citizenship.

My final suggestion is that a provision should be added to this section to the effect that making a declaration renouncing Canadian citizenship is sufficient to make that declarant lose his citizenship. The government has already followed this procedure in connection with the Japanese requesting repatriation. It obtained from them a renunciation of citizenship. I have here a copy of the renunciation, which reads as follows:

I, ...(.....), born ..... registered as a Canadian-born British subject (J. R. No. .....) under order in council P.C. 9760, dated December 16, 1941, hereby declare my desire to relinquish my British nationality and to assume the status of a national of Japan.

Further, I request the government of Canada, under the conditions set out in the statement of the Minister of Labour dated February 13, 1945, to arrange for and effect my repatriation to Japan.

I declare that I fully understand the contents of this document, and I voluntarily affix my signature hereto.

A similar declaration was signed by Japanese who had been naturalized in Canada, except that in their cases the words were "Canadian naturalized British subject" rather than "Canadian-born British subject." There was an instance in which the government actually obtained a renunciation, and I suggest that section 16 should contain power to take such renunciations. There is a similar provision in the Canadian Nationals Act, which is chapter 21 of the revised statutes of Canada, 1927. In section 3 the minister will find provision for a certain type of citizen making a declaration renouncing his Canadian nationality if he is of full age and not under disability. I do not understand why no provision has been made in section 16 of this bill for a renunciation of nationality. So that I would suggest to the minister that in addition to the amendment moved by the hon. member for New Westminster he give consideration to adding the words "or acknowledges" after the word "acquires" and adding after the word "Canada" in the second last line of the section the words "or makes a declaration renouncing his Canadian citizenship," and also that he deal with the case of the man who served in a hostile force.

Mr. MARTIN: What I say first will apply to the observations of the hon. member who moved the amendment and to those of the hon. gentleman who has just spoken. The section seeks to deal with a class of Canadian citizens who, when outside the country, by a voluntary act other than marriage acquires the nationality or citizenship of another country. That is the main, broad intent of the section. If we were to accept the suggestion and add the words "or acknowledges" the mere acknowledgment would not give to the person making it the nationality of the other country.

Mr. GREEN: Of course that is his concern.

Mr. MARTIN: The fact is that it does not. What we are seeking to do—and this is altogether part from my comments on the proposed amendment—is to avoid statelessness. The hon. gentleman has given this matter a great deal of thought, and he knows that at the 1930 conference at which all commonwealth and other countries were represented one of the understandings—it was not a commitment nor was it an agreement; this was a general conference attended by representatives of the government representing the party of my hon. friend—there was a general understanding that there should be promoted greater uniformity in the nationality laws of the countries represented at that conference.

Mr. REID: The minister has on many occasions referred to stateless persons. Supposing the government had proof that a man living in this country had two citizenships and one was taken away, how would he be stateless?

Mr. MARTIN: That is why I said I was speaking apart from the amendment. If the hon. member will permit me, I shall come to that in a minute. The hon. gentleman was kind enough to mention this matter privately to me. We have considered it carefully. The mere acknowledgment would not give him the nationality of another country, but the amendment does raise an important point, one which regretfully I cannot accept. The section itself deals with persons who are outside Canada, persons who are not within the reach of the constituted authorities of this country. The section as it now stands is substantially that of the present Naturalization Act and contains substantially the same wording as will be found in all the naturalization laws throughout the dominion. I should like to call the attention of the committee to Dicey on "Conflict of Laws", fourth edition, which contains the following comment:

> A person not under disability may, when in a foreign state, become naturalized there by any voluntary and formal act, which achieves this end according to the law of such state, e.g., by becoming naturalized in the United States. But remark that he cannot, do this unless he is within the foreign state. This rule, apparently, would render ineffective the naturalization in France of any Englishman being still in the British dominions by the vote of the Fren legislature, such as the votes by which French national assembles have on several occasions naturalized foreigners as French citizens who were not at the time in France. It appears also to be necessary that the person naturalized in the foreign state should take some part in the naturalization which proves his voluntary assent to it. Of course, the neglect of either of these conditions, would not render the vote of a French legislature turning a British subject into a French subject invalid in France, but it would prevent such vote from rendering the person so naturalized an alien in the United Kingdom.

It is, I submit, fundamental that no state in the world affords its citizens residing in that state facilities for becoming naturalized in another state. In other words, the responsibilities of a Canadian citizen cannot be thrown off at will or caprice by a Canadian who still resides in Canada. Take a concrete instance. Canada was at war with Germany from September 10, 1939, but did not declare war on Roumania until December, 1941. I am taking this example not to make any invidious comparison but simply to show that if we were to accept an amendment like this it would create abuses which I am sure on reflection it will be found had not been borne in mind.

Mr. HACKETT: That is subject to exception.

Mr. MARTIN: As I said, Canada was at war with Germany from September 10, 1939, but did not declare war on Roumania until December, 1941. During a considerable period of this time it was notorious that Roumania was under effective enemy control and influence, although technically neutral. Could this country have tolerated any of her citizens who might be disaffected in relation to the war acquiring, through connivance with the Roumanian government, naturalization as Roumanian citizens? The whole tenor of the discussion thus far has been to emphasize that if Canadian citizens are disloyal or disaffected they should be punished by Canadian authority; in other words, that we should clean our own house. We cannot have in Canada, any more than they can have in any other country of the commonwealth where there are similar provisions, groups of citizens who acquire within Canada the nationality of a foreign country.

I appreciate that the hon. gentleman is addressing himself to another situation, but if we were to accept this amendment it would mean that any group of citizens could at a particular moment denationalize themselves by some act in connivance with a foreign power. No country in the world can afford to allow citizens within its borders to denationalize themselves. While I appreciate the purpose of the amendment, I cannot accept it because of the great abuses which it would provoke, even though unintentionally.

Mr. GREEN: In the very next section the minister provides for just that which he now says should not be done, that is, for a person in Canada to renounce his Canadian citizenship.

Mr. MARTIN: That section deals with dual nationality, and I shall have an observation to make on that later on. Section 16 simply deals with the citizen outside Canada who, by some voluntary act, acquires the nationality of another country. The suggestion is that we should extend that to people within Canada and I say that I cannot agree to that.

Mr. GREEN: Section 17 provides that when a person born in Canada becomes of age he can renounce his Canadian citizenship. What is the difference between that and the man who is a citizen of Russia and Canada, living in Canada and who, being over age, renounces his citizenship?

Mr. MARTIN: Section 17 deals with the dual nationality of persons—section 16 deals with the simple question I have mentioned, that of the person who, outside Canada, seeks by a voluntary act to acquire the nationality of another country.

Mr. REID: The majority of people in British Columbia are a little perturbed regarding the status of 1,600 people who were born and educated in that province. Of course they would not come under section 16 because they were citizens of this country before they left it. I am not sure whether the minister is aware of the Japanese law which I believe is still in effect. I am speaking from memory, but up until 1922 the births of children of Japanese citizens born in this country had to be registered within forty-eight hours. They were compelled to register those births or they ceased to be Japanese citizens. There was such an outcry by people in British Columbia and elsewhere over this that the Japs, in that cute way they have, changed the law so that on the surface it seemed to mean something else when in reality it meant the same thing.

Supposedly the new law did not impose compulsion, but every Japanese family that I knew of regsitered their children with the Japanese consul. When these people appeared before the committee of this house which sat in 1935 and again in 1936 they were asked to which country they owed allegiance. This was long before there was any question of racial hatred or thought of war. They said without hesitation that they were citizens of Japan. I am receiving requests to get an explanation from the minister as to what will be the status of up to 1,600 Japanese who left British Columbia, before 1940 went to Japan for military purposes and later fought against Canada and are still in Japan. These Japanese were born in British Columbia.

Mr. MARTIN: I shall deal with that on section 16. I may say that it has not been possible to ascertain that there is any such number. We have been in contact with other countries, but to the extent that there may be a certain number, we shall deal with them by an amendment I am going to offer to section 17 when we reach it. The reasons I have given I trust will convince the committee of the desirability of not accepting the amendment. When we come to section 17 we shall deal with persons who have served in a war against Canada.

Mr. GREEN: Would it not be wise to provide also in section 16 that the adult who has Canadian citizenship and serves in a hostile force shall lose that Canadian citizenship?

Mr. MARTIN: I am going to put it in the appropriate section, but not in this section which deals with another matter.

Mr. ADAMSON: I wish to raise a question that has not been raised before on section 16. I refer to the families of Canadians born and raised in South America. There are a great number of Canadian families who are normally resident in South America, particularly in Brazil, Colombia, Peru, Venezuela, the Argentine and other South American republics. The heads of these families are engineers, technicians, and so forth, but some are business men carrying on normal business practices. They have raised and are now raising their families in South America. They have to many outward signs a dual nationality in that they live and earn their livelihood in South Amercia. Nevertheless, they consider themselves and are by nationality Canadian citizens, and they travel under what is known as a British passport.

There is in many of these South American countries a compulsory service law which compels young men of the age of eighteen to undergo a period of perhaps a year and sometimes longer of military training. The period varies with the different republics. The young man may elect to do one of two things. He may elect to leave the country in which he is resident and return to Canada or, particularly if he is going to school in one of the South American republics—and may I say that some of their schools are excellent in teaching both English and the language of the country—he may elect to undergo that year of military service. Under this section that would be a voluntary act. If he joins the armed forces of any of the South American republics he is considered by that republic to be a national of the republic. But under this section it would be a voluntary act because he could have elected to leave the republic and return to

Canada. In Brazil there are many hundreds of Canadian families, and it is most inconvenient for their children when they reach the military age to leave the republic and return to Canada. I suggest that this section will be a serious deterrent or, shall I say, put a crimp in quite a number of these families, who will have to be separated in order to retain their Canadian citizenship. I understand that there was a treaty between the United Kingdom and many of the South American republics—

Mr. MARTIN: Are these people South American born?

Mr. ADAMSON: They can be either.

Mr. MARTIN: That is an important question. Are they Canadian-born or South American-born?

Mr. ADAMSON: According to the South American law it does not matter if they have resided there for five years.

Mr. MARTIN: If they are Canadian-born we can deal with them. If they are South American-born, that is a different question altogether.

Mr. ADAMSON: Let us assume that they are Canadian-born. If they have lived in Brazil for a period of five years the republic of Brazil considers that they are liable to their draft law, or they did; I do not know what the law is at present. But I lived there myself and I know this question came up. After the young men had lived there for five years, on attaining the age of eighteen, they were faced with two choices.

Mr. MARTIN: Is my hon. friend speaking of minors?

Mr. ADAMSON: Yes.

Mr. MARTIN: They are not affected by this section.

Mr. ADAMSON: Yes, they are, because it says that if he acquires the nationality of citizenship of a country other than Canada he shall thereupon cease to be a Canadian citizen.

Mr. MARTIN: They are in the disabled class.

Mr. ADAMSON: They are considered to be citizens of the South American republic at the age of eighteen.

Mr. MARTIN: But not by us.

Mr. ADAMSON: That is what I want to find out. Then undoubtedly they have a dual nationality between the ages of eighteen and twenty-one because they are considered as being nationals of the South American republic in which they reside. Presumably they would have to make a declaration after they are twenty-one years of age to say that they wish to become Canadian citizens.

Mr. MARTIN: Then we deal with them under section 17.

Mr. ADAMSON: Section 16 deals with them, too, because they have presumably voluntarily made this choice when they become a member of the armed forces of one of the South American republics, and under the South American laws they are considered to be be nationals of that country. Therefore, between those years they have a dual nationality. I admit that the second part of my argument comes under section 17. They would have to renounce South American nationality and become Canadians once again, as it were. It is a serious question. Many young Americans were called to the colours in the South American countries, while Canadians, because of a treaty made between Great Britain and most of these republics, were exempt. I suggest that this section will put Canadians in the same status as Americans and make them liable for service to which they were not liable until the passing of this bill.

Mr. MacINNIS: May I ask the hon. member for York West if his contention is that we have dual Canadian citizenship, in that Canadian citizens residing in South America are citizens of, say Brazil, and also citizens of Canada? I know that applies in the case of Great Britain, but I was not aware that Canada had sunk to that terribly low position which we have been hearing about now for three weeks, in that Canadians were guilty of this crime of dual citizenship. I hope not.

Mr. ADAMSON: I thought we were.

The CHAIRMAN: Does the amendment carry?

Some hon. MEMBERS: No.

Mr. FULTON: Could the minister clear up this point so that it will not have to be raised when we come to section 17: what is the position at law of those Japanese either who have not become naturalized in Canada or whose children have been born in Canada and whose birth certificates are registered with the Japanese consul? I feel it is important to know that so that we shall know whether we are changing their status when this bill becomes law. What is that status under Canadian law now? Do we regard them as Japanese nationals or Canadian citizens, or under our law are they only Canadian nationals?

Mr. MARTIN: I was following the hon. member, but I should like to consider the question carefully before I answer. They are dual nationals.

Mr. FULTON: Our laws recognize that they have Japanese nationality.

Mr. MARTIN: I say they are dual nationals. It is not a question of recognition, it is a question of fact.

Mr. FULTON: I wonder whether the minister would not consider that there is a good deal of force in the amendment suggested by the hon. member for New Westminster, because the point of some of us, anyway, who have been concerned with this question is that under our law as it stands at present these Japanese are Japanese nationals.

Mr. MARTIN: I am going to deal with that when I come to section 17. I cannot accept the amendment for the reasons I have mentioned. We are not going to create a special group in this country. Under the circumstances I have mentioned it would create a serious situation.

Mr. FULTON: I wonder whether the minister could anticipate a little further and say whether under section 17 he intends to make it possible or to allow it to be possible for these people to be regarded as a separate group, which they now are under our law, or if he is going to change our law for them to become, as they have not been up to the present, Canadian citizens.

Mr. MARTIN: I intend later to deal with people who served in the armed forces of another country with which Canada is at war.

Mr. FULTON: I appreciate that, but my point was more general; at least that was the intention of my question. I was asking about those whose births have been registered with the Japanese consul and those who are not registered as Canadian citizens.

Mr. MARTIN: I have dealt with that in a general way; but I think we should wait until we come to section 17.

Amendment (Mr. Reid) negatived.

Section agreed to.

On section 17—By renunciation where dual nationality.

Mr. MARTIN: Before we discuss that I wish to give notice of an amendment, which I am asking my colleague the Minister of Veterans Affairs to move:

To amend clause 17 by adding thereto as subsection (2) the following:

(2) "Where a Canadian citizen who is under the law of any other country a national or a citizen of that country serves in the armed forces of such country when it is at war with Canada, he shall thereupon cease to be a Canadian citizen."

[Mr. Fulton.]

Mr. MACKENZIE: I move accordingly.

The CHAIRMAN: The amendment will necessitate making the original section 17 subsection 1. Does section 17 as amended by subsection 1 carry?

Mr. SMITH (Calgary West): I am coming back to where I stood up a little while ago, and I hope that this time I get the right ball in the right pocket. I do not know whether hon. members play that game or not. What I am anxious to have the Secretary of State do is—and if my memory serves me aright he has not yet done it—to give us his, and therefore the government's view, on this whole question of dual nationality. I realize that in times gone by such a thing has existed. My humble opinion is that it is a complete contradiction in terms. In other words, we have heard recently where a certain person avowed a higher duty or morality or something of that sort to a country other than Canada. Or let us take those, of whom we have quite a number, that the hon. member for Qu'Appelle spoke about a moment ago. There are United States women who have married Canadian husbands. Many of them are now living in Nassau to avoid taxation and that sort of thing; they go freely between California and Canada, and the only way, as I understand it, that they can lose that United States citizenship is if they vote in this country.

Mr. MARTIN: That is one of the ways.

Mr. SMITH (Calgary West): That is the main way.

Mr. MARTIN: No; there are others.

Mr. SMITH (Calgary West): I say that is the main way; but we, being opposed in politics, watch that they do not vote, so that it really does not happen very often.

Mr. MacINNIS: Maybe they vote on the wrong side.

Mr. SMITH (Calgary West): I have found that out, and I am glad the hon. member supports me in that respect. This is the only time he and I have seen eye-to-eye since I met him, and in spite of that I still like him. Here is my thought: we have all been making speeches as to what an important bill this is, that it is going to give us a status and a standing. I am all for it, and I agree with all that. But as a matter of common sense, is it possible for any person to have two loyalties? Is it possible for any person to take the oath of allegiance to the

king and at the same time take the oath of allegiance to the ruling person, or whatever it may be, in another country? It is all very well to say that many of us have not taken the oath of allegiance. I never did until I came to the parliament of Canada. I spoke of being Canadian-born; that is so; nevertheless the same loyalties are required of me, and the same laws apply to me, I mean, with respect to treason, official secrets and acts of that description. Therefore I should like from the Secretary of State his view as to what is the position of a person having dual citizenship. Nationality is the wrong word; it is citizenship. That is what they have. In my judgment it is a complete contradiction in terms and it is just not possible. Let us assume that the woman is a person, as the hon. member for Qu'Appelle so ably reminded us a moment ago. Indeed, her presence would put the question out of debate, and the hon. member is quite a person at that. Will the minister please tell me how a person can be a citizen in two countries having regard to the loyalty to a country which citizenship involves?

Mr. MARTIN: There is actually no difference at all between the hon. gentleman and myself. What we have tried to do, in so far as that is possible, is to avoid as many occasions of dual nationality as we can. Of course, the hon. gentleman is correct; one cannot be really loyal to two countries, particularly when they have opposite currents of political thought, different ideologies and the like. No one quarrels with the hon. gentleman's statement, and all this bill does is to minimize, in comparison with the existing law, the occasions of dual nationality. One of the reasons for the Hague conference of 1930, to which I have made several references, was by agreement to try to get countries to pass laws of nationality which would minimize occasions of dual nationality. It is possible under the existing law in some countries to-day for a person to have no fewer than eleven nationalities. As hon. gentlemen know, before the war, by countries who were our allies and by some who were not, persons who came to this and other countries did not lose the nationality of these other countries. I do not want to mention specific countries. I have not in mind at the moment the far eastern countries but some European nations. Nationality is acquired by most countries either through *jus soli*, the law of the place, or *jus sanguinis*, the law of blood relationship, or a combination of these two. All that countries can hope to do in the framing of their nationality laws is to create a situation which will avoid so far as it is possible dual or more than double nationality.

Lawyers in the house will recall the case of an individual born in a zeppelin travelling over the territory of the United States, the father a German and the mother an Italian, creating a situation where that child under the laws of four different countries was a national of as many countries. These are situations that can be cured only by common agreement among the nations. I cannot add anything more. I fully agree with everything the hon. gentleman has said, and we are doing in this bill all we can to minimize occasions of dual nationality.

Mrs. STRUM: I did not intend to speak at all, because I did not think it would require a lot of flowery language to give women the status of human beings, and it seemed to me that the minister was only doing what any decent, self-respecting nation would do sometime in its history, so that it did not require comment. However, for the sake of the hon. gentleman who some time ago wanted to defend the sanctity of the home, I may say that it was called to my attention twenty years ago at a homemakers convention that we had a number of Canadian women who, through marriage had lost their Canadian nationality. They had married aliens and in some cases those aliens were deported because of some criminal offence. Here we had a Canadian woman being deported because her husband was being interned as a criminal in Italy, say, and she knew nothing of Italian, shared no Italian customs or attitudes, and went there as the wife of a criminal. It made her position extremely difficult indeed. I may say for the benefit of the hon. gentleman that women's institutes and councils and organizations, for at least twenty years—because I have been associated with them for twenty years—have tried to establish this simple fact of the integrity of the woman as an individual apart from her husband. We have many cases of United States men coming to this country and living here for many years, enjoying everything but the right to vote, and in spite of such a man's marriage to a Canadian, it has never altered an American's status as a citizen of the republic to the south. I take it that the passing of this bill rescues women from the position to which marriage had degraded them. That is to say, through marriage the woman sank to the level of an imbecile or a dependent. Is that correct?

Mr. MARTIN: It is a fact that under the old act there were certain classes of disabled persons—idiots, imbeciles, minors and women. We have taken women out of that group.

Mr. SMITH (Calgary West): Do you not include judges?

Mrs. STRUM: Instead of protecting the sanctity of the home, marriage was degrading it. In other words, the effect of the law was to degrade woman by putting her down to the level of the same status as an imbecile or an incompetent or a minor. The passage of this bill merely restores human rights and allows a woman to choose whether or not she will take the citizenship of her husband, and that, it seems to me, should be a matter between husband and wife. I am all for the sanctity of the home, but not for the sake of taxes—

The CHAIRMAN: Order. I have ruled out of order any references to taxes. This bill has nothing to do with that question.

Mrs. STRUM: I am sorry. I do not think the sanctity of the home can be maintained by degrading one of the partners to the contract.

Mr. MARTIN: Will the hon. member allow me to interrupt her. It was only her charm that prevented my rising earlier to object on the ground that she was out of order.

Mrs. STRUM: I apologize if I am out of order, and I do not wish any considerations of "charm" to weigh in my favour. I wish to be democratic.

Mr. FLEMING: I take it that the purpose of the amendment which has been introduced is to get at the natural-born Canadian citizen who happens to have another nationality and serves in the armed forces of that nation at a time when that nation is at war with Canada. I take it, in view of the provisions of section 21 (1) (e), it would not be necessary to have such a provision to take care of a naturalized Canadian citizen. Am I right in that assumption?

Mr. MARTIN: Yes, quite. The section deals with natural-born Canadian citizens.

Mr. FLEMING: The amendment, therefore, is designed to make a similar provision in the case of a natural-born Canadian citizen. Would it not be logical to apply the principle of the minister's amendment to the case of a person serving in the armed forces of any country at war with Canada? Let us take an illustration. Suppose the minister has in mind the case of a natural-born Canadian citizen who, under the law of Japan, because of Japanese origin, is also a subject of the Japanese emperor. Suppose that instead of fighting in the armies of the Japanese emperor he served in a nazi U-boat. Why should he not be under a disability in that case? Why should he not lose his Canadian citizenship just as much as if he served in the forces of the Japanese emperor?

Mr. MARTIN: This deals with a situation that is quite clear; it deals with a man who serves in the armed forces of a country at war with Canada.

Mr. FLEMING: I do not want to belabour the point; it is a simple one. The amendment confines the situation to where a man has served in the armed forces of the other nation which recognizes him as one of its nationals.

Mr. MARTIN: Yes.

Mr. FLEMING: But another nation. The use of the word "such" in the fourth line of the amendment would confine that case to service in the armies of the Japanese emperor. My suggestion is that it be broadened to include any other country which is at war with Canada at the same time. That is in keeping with the principle of the amendment.

Mr. MARTIN: We think this is the proper way to deal with it.

Mr. FLEMING: Is the minister not prepared to take account of the other situation where some person of Japanese origin may be serving in the German armies or in the armies of other nations at war with Canada? Why confine it to the one case where he is serving in the armed forces of a country which looks upon him as a national?

Mr. GREEN: Has the minister given consideration to making the provision simply service in a hostile force? Under the law of the enemy country this Canadian citizen might not be a national of that country. I suggest that if he has served in a hostile force he should lose his Canadian citizenship automatically.

Mr. REID: Some consideration should be given to that because, according to information given us during the war, a certain number of Japanese left British Columbia, went to Japan, and later went by submarine to Germany where they gave information and assistance before the capitulation. We have no idea as to the number, but the statement has been made by British and prominent Canadians that in Germany there were Japanese who had been born in British Columbia and who were assisting Germany by giving information. I think the minister might well take into consideration what has been brought out by hon. members on the other side.

Mr. GREEN: If that change were made the section would read:

Where a Canadian citizen serves in the armed forces of any other country when it is at war with Canada he shall thereupon cease to be a Canadian citizen.

Mr. MARTIN: I shall be glad to accept the words: "any other country".

Mr. FLEMING: Thank you.

Mr. MARTIN: That is not quite the same point the hon. gentleman made.

Mr. FLEMING: It is precisely the same.

Mr. GREEN: How will the section read?

Mr. MARTIN: It will then read:

Where a Canadian citizen who is under the law of any other country a national or citizen of that country serves in the armed forces of any other country when it is at war with Canada he shall thereupon cease to be a Canadian citizen.

Mr. GREEN: Then the minister is not accepting the suggestion?

Mr. BENTLEY: If a Canadian-born citizen who had no other disability of being called another national, but a natural-born citizen like myself, served outside Canada in an enemy force during the war, and at some future time came back to Canada, would he not be subject to the laws of Canada and be liable to be tried for treason? If we take a person of Japanese or any other origin or nationality that we are talking about at the present time, and if that person served in the Japanese navy or in a German U-boat and we cancelled his citizenship because of that, does it preclude the possibility of Canada taking action against him for treason or dealing with him as an enemy if he should ever return to Canada, or are we to absolve him from that sin and simply punish him by cancelling his citizenship, or are we to use the law of extradition, bring him home and give him the punishment he deserves?

Mr. GREEN: What is the answer to my question?

Mr. MARTIN: We are leaving out the word "other," and so it will read, "any country that is at war with Canada." The amendment that I present would then read as follows:

Where a Canadian citizen who is under the law of any other country a national or citizen of that country serves in the armed forces of any country when it is at war with Canada he shall thereupon cease to be a Canadian citizen.

Mr. BENTLEY: That does not answer my question. I should like the minister to deal with my question.

Mr. MARTIN: Section 25 deals with it.

Mr. BENTLEY Will section 25 deal with it after this amendment is passed?

Mr. MARTIN: Certainly.

Mr. STIRLING: I wish the Secretary of State would explain what is meant by the inclusion of these words:

. . . who is under the law of any other country a national or citizen of that country.

It seems to me to be redundant. I do not know what the minister is aiming at in including that. Without these words, it would be a plain statement of fact as follows:

Where a Canadian citizen serves in the armed forces of another country when it is at war with Canada he shall thereupon cease to be a Canadian citizen.

Mr. MARTIN: What we are dealing with here is a person who acquires our nationality, and continues to have it and acquires the nationality of another country and serves in the armed forces of that country. The person who does not acquire the nationality of the country in which he is serving is dealt with under our system and in Britain and in Australia and so on in the regular way by using the regular machinery of the courts. He can be found guilty of treason. We are dealing with the special case of a person who is a national of our own country and a national of another country and who at the same time serves in the armed forces of that country when Canada is at war with it. We are dealing with a special group.

Mr. STIRLING: Under this law I do not see how a Japanese who fights in the Japanese forces can be dealt with if he does not return to Canada. That person may claim in Japan that he is a Canadian citizen, and there would be no way of dealing with him if this amendment passes with this wording in it.

Mr. MARTIN: We cannot deal with that situation. What could we do? No law would remedy that.

Mr. ADAMSON: Under this section a man like Joyce who took out German citizenship would be exempt from punishment. He was tried as a traitor. By joining some military police or something like that he was considered by the German regime as—

Mr. MARTIN: We are not dealing with punishment; we are simply dealing with the laws of nationality.

Mr. ADAMSON: If a man loses his nationality he cannot be tried as a traitor.

Mr. GREEN: Yes, he can, under section 25.

The CHAIRMAN: Shall the amendment carry?

Some hon. MEMBERS: No.

Mr. MacINNIS: Mr. Chairman, about a week ago or perhaps longer—we have been so long discussing this bill—I wanted to make some observations on this section but was ruled out of order on a technicality. I wish to take advantage of the opportunity to do so to-night, though I do not believe I can finish before eleven o'clock. Every time we begin to discuss this bill and hon. members from British Columbia take part in the discussion I have to turn to the front page to assure myself that it is called the Canadian Citizenship Act, because I believe the bill they are discussing should be entitled "the perpetual racial discrimination act." Let me say that I support the amendment. As a matter of fact, knowing as little law as I do, I was in favour of the amendment moved by the hon. member for New Westminster. In the debate on this bill we have witnessed a most curious situation concerning hon. gentlemen to my right. We had the hon. member for Lake Centre and some others attacking the government, particularly the Minister of Justice, most violently in connection with two orders in council which were passed last fall, P.C. 6577 of October 23 and P.C. 6444 of October 5, under which those people caught up in the espionage affair were taken into custody. I have been thinking to myself, what can be said of the sincerity of hon. members who cry to high heaven about the iniquity of those two orders in council, yet forget altogether orders in council, P.C. 7355, 7356 and 7357 which were passed to take away the citizenship rights of not a mere half dozen or so but thousands of Canadian citizens?

Mr. FULTON: They were not Canadian citizens.

Mr. MacINNIS: They were.

Mr. FULTON: The minister just said they were not, when I asked the question.

Mr. MacINNIS: The minister did not say anything of the kind, and in any event he can speak for himself. I am saying they were Canadian citizens, and I believe a majority of the court which tried the case said they were.

Mr. MARTIN: And I did not say they were not.

Mr. MacINNIS: I know the minister did not. That is what has gone on in this house day after day for the last three or four weeks.

[Mr. Green.]

Mr. BOUCHER: You are not helping it much now.

Mr. MacINNIS: I am not helping you people any.

Mr. BOUCHER: Nor the debate.

Mr. MacINNIS: Certainly I am helping the debate. I am bringing some reason and justice and clarity into it. If we are to deal with the question of citizenship let us deal with the whole question, not citizenship based on some colour or creed or race. For most hon. members from British Columbia the only citizenship worth thinking about, as far as I can ascertain, is the citizenship of those speaking the English language. Perhaps they would accept the French language as well, because it would be bad politics to exclude it. I should really like to have time to demonstrate to this committee how the hon. member for Lake Centre pummeled the government over these orders in council I have mentioned, P.C. 6577 and 6444, and how skilfully he skated around the other orders in council that were passed, mind you, under far worse conditions than in the case of the other two he mentioned. The National Emergency Powers Act when first introduced provided in section 3(1)(g) for the revocation of naturalization and the deportation of citizens. That section so outraged the feelings of the people of this country and of the members of this house that they would have nothing to do with it. The bill had to be withdrawn and this obnoxious section, together with many other obnoxious sections, removed from it. Then, on the second last day of the session, the orders in council providing for the deportation of persons of Japanese origin, many of whom were Canadian citizens, were announced in this house, with not a word of opposition from my hon. friends who are so keen on maintaining the rights of citizenship.

Mr. FULTON: You must have been out of the house that day. Read the speeches of the hon. member for Lake Centre.

Mr. MacINNIS: I have already mentioned the hon. member for Lake Centre, but he was very careful not to touch those orders I have mentioned.

Mr. FULTON: He did.

Mr. MacINNIS: Not in my hearing, in any event. But let us take the hon. member for Vancouver South. The hon. member for Lake Centre would wag his finger and shake his head and point at the Minister of Justice and say, "What are you going to do about this?" Then the hon. member for Vancouver South

would stretch himself half-way across the floor and say to the Minister of Veterans Affairs, "Are you going to carry out the government's policy in regard to the Japanese?" That government policy was put into effect by orders in council after this house had rejected it. Either we have to be honest with ourselves, or we cannot be honest with anybody else. You can fool everybody but yourself. You cannot fool yourself; and when you are dishonest with yourself you are dishonest with everybody.

Mr. GREEN: On a question of privilege, Mr. Chairman, I am sure the hon. member does not mean to insinuate that I was dishonest in my stand. If he does, I ask that he withdraw.

Mr. MacINNIS: I am not insinuating in regard to anybody in particular. I am merely stating a fact, and anybody who feels that this statement of fact applies to him is entitled to take that position.

Mr. GREEN: The hon. member has now made it perfectly clear that he is out of order, and that he must withdraw his statement. If he were referring to a party I would not care, because a party has to take abuse of that type, but here he is referring to an hon. member and I submit that he must withdraw.

The CHAIRMAN: I understood the hon. member for Vancouver East to say definitely that he was not referring to any particular person.

Mr. GREEN: But he went on to say that if any hon. member wanted to accept it he could do so, or words to that effect. He must withdraw that statement.

Mr. MacINNIS: I said I made a statement of fact, and if anybody wished to apply that statement of fact to himself that was not my business.

Mr. GREEN: That is not so, I believe.

The CHAIRMAN: I do not see anything out of order in that, and I cannot ask the hon. member to withdraw.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE: To-morrow we shall take up bill No. 7 at the commencement of the proceedings. After the conclusion of that measure we shall take up any second readings of the minor bills on the order paper.

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

63260—95

Tuesday, May 14, 1946,

The house met at three o'clock.

PRIVILEGE

REFERENCE TO PRESS REPORT, OTTAWA "JOURNAL", MAY 13

Mr. ALISTAIR STEWART (Winnipeg North): Mr. Speaker, I rise to a question of privilege in connection with a story which appeared in yesterday's Ottawa *Evening Journal* about the fate of certain questions asked by myself. A direct quotation was included in the story. It has been my experience that one who makes a statement is as the mother; the reporter is very often in the place of the father, and the child always takes after the father. The words attributed to me in the story are:

"I'm having a lot of questions turned down these days," he complained, "and I am getting mad about it."

The inference unfortunately is that we are not getting the service we expect from the officials of the house. I should like to dispel that inference immediately. I have nothing but praise for the cooperation and assistance which we do get. Whatever slighting reference there is in the story applies entirely to the government.

Mr. MACKENZIE: The government is quite prepared to accept that, from the hon. gentleman.

BANKING AND COMMERCE

CONCURRENCE IN FIRST REPORT

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

Motion agreed to.

INTERNATIONAL AGREEMENTS

CANADA-FRANCE—EXCHANGE OF NOTES RELEASING PRIVATE PROPERTY FROM GOVERNMENT CONTROL

Right Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): Mr. Speaker, I beg leave on behalf of the Department of External Affairs to table copies of notes exchanged between Canada and France concerning the release of private property from government control. These notes were dated Ottawa, February 12, March 22, March 23, March 27 and April 3, 1946, and constitute the Canadian Treaty Series 16 of 1946. From the exchange of notes there results an agree-

ment providing the conditions for the release of French private assets which had been placed under the custodian of enemy property in Canada at the time of the occupation of France by the enemy, and reciprocal provisions for whatever private Canadian assets might have come under government control in France.

POSTAL SERVICE

GIFT PARCELS FROM CANADA TO HUNGARY

Hon. ERNEST BERTRAND (Postmaster General): Mr. Speaker, last month the hon. member for Saskatoon City (Mr. Knight) raised the question of the dispatch of gift parcels from Canada to Hungary. At that time I told him that the matter was before this department and that this service would be placed in operation as soon as the necessary facilities became available. I am now glad to say that it has been found possible to restore the parcel post service to Hungary for parcels weighing up to eleven pounds and the Canadian postal service has been informed accordingly.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 76 for the relief of Albert Stuart White.—Mr. MacLean.

Bill No. 77, for the relief of Edward Mortin Montgomery.—Mr. Maybank.

Bill No. 78, for the relief of Evelyn Clare Ward Davis Murray.—Mr. Maybank.

Bill No. 79, for the relief of Esther Genevieve Johnson Potter.—Mr. Maybank.

Bill No. 80, for the relief of Wanita Winifred Ellerton Upton.—Mr. Maybank.

Bill No. 81, for the relief of Joseph Victor Emile Tassé.—Mr. Maybank.

RADIO BROADCASTING

SPECIAL COMMITTEE TO CONSIDER ANNUAL REPORT AND REVIEW POLICIES OF CANADIAN BROADCASTING CORPORATION—PERSONNEL

Hon. J. J. McCANN (Minister of National Revenue) moved:

That the committee appointed on 16th April last to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the corporation shall consist of the following members: Messrs. Beaudoin, Bertrand (Prescott), Bowerman, Diefenbaker, Fleming, Fulton, Gauthier (Portneuf), Hackett, Hansell, Knight, Laurendeau, Leger, Maybank, McCann, McCulloch, Mullins, Nixon, Picard, Pinard, Robinson (Simcoe East), Ross Hamilton East), Ross (St. Paul's), Smith (Calgary West), Sinclair (Vancouver North), Zaplitny.

[Mr. St. Laurent.]

Mr. GORDON GRAYDON (Peel): I was not here yesterday, but I understood that this was not on the agenda for to-day's proceedings.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): There is no such thing as an agenda.

Mr. GRAYDON: Perhaps the minister wants to be technical.

Mr. MACKENZIE: "Order paper".

Mr. GRAYDON: He can be so if he desires, but I was using a term which I thought conveyed my idea, namely that I understood the order of business for to-day did not include the moving of this particular motion. I believe there are one or two hon. members who desire to say something in connection with it. If it is going on to-day I want to ask the minister a question; but perhaps the government would be prepared to let it stand over until to-morrow.

Mr. McCANN: May I point out that on April 16 the motion to set up the committee was passed, and this motion to-day has to do entirely with the personnel of the committee. Outside of the personnel, therefore, any other discussion, I submit, would not be in order. There was a debate on April 16 when the original motion was passed. The motion was:

That a select committee, the members thereof to be later named, be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records.

That motion was discussed and carried, and at this time we are only naming the personnel; so any discussion on this motion would have to do entirely with the members who will constitute the committee.

Mr. MACKENZIE: Question.

Mr. SMITH (Calgary West): As one who is anxious to say something on this motion, speaking to the point of order raised by the minister, Mr. Speaker, may I submit, with respect, that a resolution of this nature is debatable, and that it should in no sense be confined to the personnel of the committee. What I had intended to say had to do not so much with what the committee might do but with the matter of government policy with respect to the Canadian Broadcasting

Corporation. I would like a ruling, sir, as to whether or not I am in order in making such a speech on this motion.

Mr. HANSELL: On the point of order which has been raised, I think the minister will agree that in years gone by we have had an open discussion on matters pertaining to these committees, even when the personnel of the committee has been included in the motion; otherwise there is nothing we can discuss. I could not very well discuss the colour of the hair or the colour of the eyes of these men. The matter for discussion is with respect to the policy of the Canadian Broadcasting Corporation. I believe the point of order made by the hon. member for Peel (Mr. Graydon) is well taken, because last night when we concluded our business the leader of the house told us what we should go on with to-day, and he did not include in his remarks that we would take up this motion; consequently we expected that the minister would ask that it stand. I submit, Mr. Speaker, that this looks too much as though the resolution, if this order is proceeded with, is being slipped through. I am not saying it is; perhaps we should have been a little more alert, but it would not hurt for the matter to stand for another day.

Mr. COLDWELL: May I say a word on the point of order? I think there are quite a few members who wish to say something about the policy of the broadcasting corporation. I have a matter which I should like to discuss. May I point out to Your Honour that when we allowed the motion to go through, on April 16, it was the day before the house was adjourning for Easter; there was a great deal of business, and I know I felt, as probably some other hon. members did, that it was desirable to clean up the business which we were then discussing and that another opportunity would arise. At any rate I did not at that time feel like taking up the time of the house. But it has been usual, before sending the matter to the committee, to give members an opportunity to deal with some of the business which might be discussed before the committee. While the minister is perhaps technically right, I think that latitude in the past has been allowed.

Mr. McCANN: Personally I have no objection, Mr. Speaker, to the fullest discussion if you declare that it is in order.

Mr. MACKENZIE: I think this can be done only by the unanimous consent of the house. I have no objection, either. But some hon. gentleman mentioned that this was not referred to last night on the agenda. It has never been the custom to refer to a government notice of motion the evening before; and the house had complete opportunity on April 16 to debate the whole principle in regard to the Canadian Broadcasting Corporation. However, sir, if there is a general desire now to debate this motion I am sure that my colleague has no objection, and probably the house itself has no objection. But strictly speaking we passed on the principle of the appointment of the committee on April 16, and this refers only to the personnel of the committee.

Mr. STIRLING: On the point of order, Mr. Speaker, may I draw attention to the fact that on a previous night the Minister of Veterans Affairs (Mr. Mackenzie), who was leading the house, did indicate that a government motion would be proceeded with,—

Mr. MACKENZIE: That was—

Mr. STIRLING: Excuse me, whereas last evening the wording he used was:

> To-morrow we shall take up Bill No. 7 at the commencement of the proceedings.

Mr. SPEAKER: There is no doubt that this motion is debatable under standing order 38, subparagraph (j):

> The following motions are debatable:
> (j) for the appointment of a committee,

The motion now before the house reads in part:

> That the committee appointed on 16th April last to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the corporation shall consist of the following members:

The principle of the establishment of a committee was accepted by the house on Tuesday, April 16, 1946. According to *Votes and Proceedings* of that date:

> On motion of Mr. McCann, it was resolved,—That a select committee—the members thereof to be later named, be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine—

Et cetera. The question before the house is not the principle of appointing a committee to do certain things as directed; the motion concerns the personnel of the committee. The Chair could not permit a debate on the principle of the appointment of a committee, that question having been decided by the house on April 16. I must therefore ask the house whether it is ready for the question.

Mr. BRACKEN: Before you put the motion, Mr. Speaker, I should like to make one observation. The first resolution was put

before the house on the day before we adjourned for the Easter recess. The sum total of the discussion that took place covers no more than one and a half columns of *Hansard,* and only two members, apart from the Minister of National Revenue, referred to the matter. I would respectfully suggest that under the circumstances debate ought not to be circumscribed in the manner you indicate. Of course we recognize the authority of the Speaker, and if your ruling, sir, is as you have stated, we shall of necessity accept it. I would repeat, however, that there has been no substantial debate on the motion that was submitted to the house on April 16.

Mr. SPEAKER: The leader of the opposition no doubt realizes that the Speaker cannot take cognizance of any discussion there may have been between himself and the leader of the house. The duty of the Speaker is to follow the rules of the house. There is therefore but one course open to me, and that is to put the motion to the house, unless there is unanimous consent that the principle be debated with respect to the appointment of the committee itself. Is it the pleasure of the house to give unanimous consent?

Some hon. MEMBERS: No.

Mr. ROSS (St. Paul's): Mr. Speaker, may I call attention to the fact that in the past it has always been the practice to include the personnel of the committee in the motion authorizing its appointment. This is an extraordinary proceeding.

Mr. SPEAKER: The motion which I read to the house is simply that certain hon. members therein named shall constitute the committee already appointed, and no debate is permissible on the principle of the appointment of the committee. As I have already stated, that principle was accepted on Tuesday, April 16. Unless there is now unanimous consent for discussion of the principle of appointing the committee, I must put the motion.

Mr. SMITH (Calgary West): With great respect, Mr. Speaker, I should like to say just a word. If I understood you correctly, we may debate the principle of the appointment of the committee if there is unanimous consent.

Mr. McCANN: The appointment of the committee was debated, and that motion was passed.

Mr. SMITH (Calgary West): I fully realize that the principle of the appointment of the committee was passed, but that is all that was passed. I am not going to discuss that principle, but I do intend, if I am permitted, to discuss, on this motion, government policy with respect to the Canadian Broadcasting Corporation.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. As a lawyer, the hon. member no doubt realizes that the only question before the Chair at the moment is the personnel of the committee, which has already been appointed. It is the privilege of any hon. member to object to the appointment of a particular person on the committee, but no hon. member has the right at this stage to discuss the principle of appointing the committee. I shall therefore be obliged to put the question.

Mr. SMITH (Calgary West): May I say this on a point of order—and I am trying to learn something; I am not trying to be facetious. Could I not, in discussing the question whether I myself am qualified to act on that committee, give the reasons why in my opinion there are difficulties in the operation of the Canadian Broadcasting Corporation at the present time?

Mr. SPEAKER: The hon. member knows the practice, and he is aware that it is his privilege, after the committee has been appointed, to move that his name be withdrawn.

Mr. BOUCHER: I do not rise to discuss your ruling, Mr. Speaker; any remarks I make will have reference to the personnel of the committee. For instance, I see the names of the members for Vaudreuil-Soulanges (Mr. Beaudoin) and Prescott (Mr. Bertrand) on the committee. I suggest that this house give serious consideration to the appointment of these two hon. gentlemen on the committee unless they assure us that the Canadian Broadcasting Corporation in its policy truly reflects the feeling of the house instead of the opinion of a particular section of parliament.

I see the names of the member for Prince Albert (Mr. Bowerman) and the member for Lake Centre (Mr. Diefenbaker). I suggest that they as members of the committee should give their opinion with regard to the Canadian Broadcasting Corporation outlawing provincial legislatures in respect of broadcasting systems. I do not think that this house should appoint either of these gentlemen to the committee unless they give the house their views on this point.

I notice also the names of the hon. member for Eglinton (Mr. Fleming) and the hon. member for Kamloops (Mr. Fulton). I should like to hear these two gentlemen

state their opinions on the policy of the corporation, the promptness of the reporters in broadcasting the news of this parliament over the C.B.C., and their impartiality in connection therewith. I notice the name of the member for Portneuf (Mr. Gauthier) and the name of the member for Stanstead (Mr. Hackett). I should like to have them express their views on the qualifications of the various persons hired by the C.B.C., and what these hon. gentlemen think of the policy of the C.B.C. with regard to broadcasting. Then I notice the names of the members for Macleod (Mr. Hansell) and Saskatoon City (Mr. Knight). I should like to know from them, before they become members of this committee, what their belief is as to the wages, hours of labour and terms of service of the various employees of the C.B.C.

I now come to the names of the members for Berthier-Maskinonge (Mr. Laurendeau) and Kent, N.B. (Mr. Leger). I should like to have them express their view as to whether this parliament gets sufficient information as to the policy of the C.B.C. without having to ask the Minister of National Revenue, the Minister of Transport or the Minister of Reconstruction. Then there are the names of the members for Chambly-Rouville (Mr. Pinard) and Simcoe East (Mr. Robinson). May I ask them to express their views to the house as to whether or not this government should not be more willing than it is to table correspondence, communications, interviews and particulars as to what goes on in the C.B.C.

So I could go on down the line, but I suggest that before the personnel of this committee is appointed this house should give some guidance to the members of the committee as to the success or otherwise of this whole enterprise.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: On division.

Motion agreed to.

COAL

TRUCE IN STRIKE IN UNITED STATES—DELIVERIES TO CANADA

On the orders of the day:

Mr. L. W. SKEY (Trinity): May I direct a question to the Minister of Reconstruction, notice of which I have already given him? What steps, if any, has the Minister of Reconstruction taken to assure the delivery to Canada of a fair proportion of the coal that will be mined in the United States during the two weeks of truce in the coal strike?

Hon. C. D. HOWE (Minister of Reconstruction): In reply to the hon. member I may say that the solid fuels administration has issued orders restricting the delivery of the coal mined during the truce period to certain classes of essential users whose stock position is such as to require immediate delivery. The same classes of consumers in Canada, whose stocks are below the minimum will, I understand, receive the same treatment as those in the United States. Beyond this, I would point out that coal from the mines must first be supplied to United States railways whose services are vital if the coal is to continue to move at all.

SITUATION AT DRUMHELLER—SHIPMENTS FROM WALES

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): I did not send the minister notice of the question I am going to ask about Drumheller coal. I know he is a walking encyclopædia on the coal question and does not need notice. My question is: What is the present situation in connection with Drumheller coal production, and is it likely that a substantial tonnage of Drumheller coal will be shipped to Ontario for next winter's requirements?

Hon. C. D. HOWE (Minister of Reconstruction): The production in the Alberta fields is satisfactory. Each succeeding month is higher than the preceding month. It would seem that the area is producing all the coal that the available man-power will permit. The coal controller is moving as much of the coal east as he believes can be spared from this area. There will be a considerable amount of Alberta coal in Ontario this year. Steps are being taken to give incentive to increase the production of all the coal mined in Canada, and it is hoped that production, over and above the normal amount, will contribute to easing the serious situation which is facing us.

Mr. JACKMAN: Would the minister say whether or not we are receiving Welsh coal at the present time?

Mr. HOWE: No Welsh coal is coming into Canada at the present time. I am sure the hon. member knows that the United Kingdom itself is short of coal.

GRAIN

RETENTION OF SEED AND FEED IN COUNTRY ELEVATORS

On the orders of the day:

Mr. D. J. McCUAIG (Maple Creek): I should like to direct a question to the Minister of Agriculture. Has the government given

consideration to retaining sufficient seed and feed in country elevators in the west until the present drought is over and the 1946 crop is reasonably assured

Hon. J. G. GARDINER (Minister of Agriculture): At harvest time last fall the provincial governments asked us to freeze all grain in the area that was affected by drought last year until such time as they were able to make provision for its proper distribution for both feed and seed. So far I have had no complaints from anywhere that seed and feed are not provided. As a matter of fact to-day's reports indicate that the wheat is all seeded, as is a large percentage of the oats and barley; therefore I think the seeding is going along fairly satisfactorily.

Mr. COLDWELL: If I understood the question, the hon. member means next year. In the event of drought taking place in these areas next year is some provision being made for 1947? That is the way I understood the question.

Mr. GARDINER: We shall have plenty of time to deal with that after July.

Mr. McCUAIG: That is what I had in mind.

RADIO BROADCASTING

SHORT WAVE BROADCASTS TO RUSSIA

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I had intended to direct this question to the Minister of National Revenue had the government given unanimous consent to a discussion of the constitution of the radio broadcasting committee. I should like to direct the question to him now on the orders of the day. Are the facilities of the short wave broadcasting station of the Canadian Broadcasting Corporation at Sackville sufficient to carry a broadcast to Russia? If so, are the facilities of this station being used for that purpose in the same way as are the facilities of the British Broadcasting Corporation? The reason I ask the question is that in the British House of Commons yesterday Mr. Hector McNeil, the under-secretary for foreign affairs, in answering a question of the opposition, said that the British Broadcasting Corporation broadcasts in Russian were heard very well in Moscow and "many Soviet listeners are exhibiting a friendly and constructive interest in the programmes."

Some hon. MEMBERS: Order.

Mr. GRAYDON: Who is the Speaker of the house? I was expecting to be called to order by His Honour the Speaker, but I have been called to order from the far corner. This is a simple question, and an easy one for the minister to answer. I should appreciate it if he would answer it to-day.

Hon. J. J. McCANN (Minister of National Revenue): In reply to the hon. gentleman's question I can say that the power of the short wave station at Sackville is sufficiently strong to broadcast to Russia, but the facilities have not been used particularly for that purpose because when a programme is sent to a foreign country it is not of much use unless it is in the language of the country to which it is going. Among the personnel of the Canadian Broadcasting Corporation we have no artists or others who can broadcast in Russian.

INQUIRY AS TO PURCHASE OF THREE NEW STATIONS—ACQUISITION OF WAVE LENGTH OF THREE PRIVATE STATIONS

Mr. A. L. SMITH (Calgary West): I have a question to ask the Minister of National Revenue, since I was not allowed to do it a moment ago. Has the Canadian Broadcasting Corporation purchased three new large stations, and are they contemplating taking over the wave lengths of from one to three private stations? I did not give the minister notice of this question, but I did not get much notice of what he did to me.

Mr. McCANN: The matter which the hon. member for Calgary West has brought up is a matter of government policy which will be announced in due course.

Mr. SMITH (Calgary West): On a point of order, Mr. Speaker, this is Canadian Broadcasting Corporation policy. It is surely not government policy. Will the minister not answer it? It is a corporation.

Mr. McCANN: As the minister responsible for the announcing of policy of the Canadian Broadcasting Corporation I submit that when I do announce it I am indicating the policy which would be endorsed by the government, and that policy will be announced in due course.

Mr. HOMUTH: Whose government is it?

Mr. HANSELL: Supplementing what the hon. member for Calgary West has said, may I say that I sometimes get a little tired of being brushed off with the remark that it is government policy—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I would call the attention of the hon. member to the rules, which state that a minister is not obliged to answer a question, and to the fact that the

house has just appointed a committee to consider the affairs of the Canadian Broadcasting Corporation. The hon. member will have an opportunity to ask his question before that committee.

Mr. HANSELL: I was just going to suggest to the hon. member for Calgary West (Mr. Smith) that if he comes to me I can give him the answer which the minister was not able to give.

CANADIAN CITIZENSHIP

NATIONALITY, NATURALIZATION AND STATUS OF ALIENS

The house resumed from Monday, May 13, consideration in committee of bill No. 7, respecting citizenship, nationality and naturalization and status of aliens—Mr. Martin—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: When the committee rose last evening it was considering section 17 together with an amendment thereto moved by the hon. member for Vancouver Centre. Shall section 17 (1) carry?

Mr. MacINNIS: I was saying a few words on this section when the committee adjourned last night. I wish to continue my remarks, but before going on to deal with the peculiar confusion that seems to exist among the members to my immediate right, where one section is urging that the government give up legislating by order in council and another section is urging that the government continue with it, I want to make reference to a statement made last night by the hon. member for New Westminster. Speaking on this section the hon. member said, as reported at page 1486 of *Hansard*:

> Supposedly the new law did not impose compulsion, but every Japanese family that I knew of registered their children with the Japanese consul. When these people appeared before the committee of this house which sat in 1935 and again in 1936 they were asked to which country they owed allegiance. This was long before there was any question of racial hatred or thought of war. They said without hesitation that they were citizens of Japan.

A number of wild statements of that kind have been made and I think the best thing I can do is to answer the hon. member for New Westminster by quoting a statement made in the committee on the elections and franchise acts which sat in 1936 and 1937, and not in 1935 and 1936. The hon. member for Davenport was questioning one of the witnesses who appeared before the committee, and I quote from the procedings as follows:

> Mr. MacNicol: You are Canadian born?
>
> Professor Hayakawa: I might tell you, for the information of Mr. Reid, who seems to question our loyalty—
>
> Mr. Reid: No; hold on a minute. Just get away from that. I have never questioned your loyalty nor do I. The inference I was drawing is that Japan has the first claim, because your children are registered in Japan, in time of trouble.
>
> Professor Hayakawa: No; Canada has the first claim because we are here.

Surely if we feel that our case is just, we should not use material in support except what can be vouched for. The same question arises with regard to the 1,600 Japanese-Canadians who are supposed to have gone from Canada to Japan and to have fought against Canada in the Japanese army. May I say here and now that there is no definite evidence on that that anyone can bring forward in this committee.

I should like now to continue with the point I raised last night as to the different points of view in the official opposition in connection with orders in council. First I should like to quote what was said by the hon. member for Lake Centre, as reported on page 513 of *Hansard* of April 2. I believe the hon. member was acting as the chief spokesman for the official opposition on that occasion, because he followed the Secretary of State in the debate on the motion for second reading of this bill. Referring to the orders in council, which I mentioned last night, he said:

> The order in council P.C. 6577, and the order in council of October 5, 1945, P.C. 6444, which I believe will always be remembered as the forgotten order in council, interfere with the fundamental rights of citizenship which were referred to by the Secretary of State. Is it not time that in this country as in Great Britain these rights shall not be interfered with except under a law passed by the parliament of Canada?

I agree with that absolutely, and I suppose when the hon. member for Lake Centre made that statement he made it without reference to race, creed or colour. As I said before, having spoken in the debate immediately after the Secretary of State who introduced the bill I imagine he was speaking as the leading speaker for the official opposition. But what are we to say, what are we to think, when we pick up *Hansard* of April 5 and read what the hon. member for Vancouver South had to say? This is another prominent member of the official opposition, and at page 619 he said:

> We intend to hold the government to its policy. We ask also that the whole of British Columbia be made a protective zone permanently as a defence measure. That is the policy advocated by the Minister of Veterans Affairs (Mr. Mackenzie). I hope he has not changed his mind since the announcement he made just a little over a year ago.

And then again, in the next column:

Parliament can empower the government to act on this question. We will support the government. I am confident that the Social Credit party will support them because of the stand they have taken throughout. The C.C.F. will not.

What I want to ask is this: What policy was the hon. member for Vancouver South insisting that the government should carry out? The policy of deportation, the policy of revoking naturalization and deporting Canadian citizens? Are we not entitled to ask who is speaking for the official opposition? Is it the hon. member for Lake Centre or the hon. member for Vancouver South, or does the official opposition speak with two voices?

In the second paragraph from which I read, the hon. member for Vancouver South said that "parliament can empower the government to act on this question". "We will support the government." That is: "We will support the government" if it brings to this house a bill to revoke the naturalization of Canadian citizens, to make non-citizens of people who were born in Canada. Then the hon. member generously included hon. members of the Social Credit party to my left. When the hon. member makes this statement in support of a bill he wishes the government to bring in, is he speaking for the hon. member for Lake Centre? Is he speaking for the hon. member for Muskoka-Ontario? Is he speaking for the hon. member for Calgary West? Yes, is he speaking for any number of hon. members in the opposition, whose names I could mention, who have expressed themselves as astounded and perturbed by the policy of the government under which, by order in council, it takes away the rights of citizens? That is something this committee is entitled to know.

I too suggest to the government that they bring in a bill of this kind. When parliament refused to accept the emergency powers bill, and insisted upon a completely revised bill, the government reluctantly complied. In my opinion the government had no right to issue the orders in council. It should have had the courage to come to this house and ask parliament for permission to do what it wanted to do. Then we would have found out who stands for liberty—liberty without regard to race, colour, creed or language, or just liberty for the chosen few.

Later on in his speech of April 5 the hon. member for Vancouver South labelled as "pressure groups" those who have been working in all parts of Canada to prevent the government doing this iniquitous thing. The hon. member referred to the editor of *Saturday Night*, the editor of the Winnipeg *Free Press*, and the editor of the Toronto *Star*. But I noticed there were omissions in his list of "pressure groups," including, at least one other editor who has supported the hon. member in his elections, but who does not support him on this issue. I refer to the Vancouver *Daily Province*. There were certain other pressure groups to which he did not refer. Among these can be found the Church of England in Canada, and the United Church of Canada, of which he is a member. He did not refer to either of these. Nor did he refer to the National Council of Women, to the Young Women's Christian Association, or to dozens of other "pressure groups." Pressure groups indeed! Anyone is a "pressure group" who will interfere with those who want to destroy liberty. They had pressure groups in Germany. They were the decent people of Germany. Hitler put them into the concentration camps.

Let us see what the Vancouver *Daily Province* has to say in its editorial of February 21, 1946, where it makes reference to the judgment of the supreme court. Before I read, let me remind hon. members, if they do not already know it, that the Vancouver *Daily Province* is the leading daily paper in British Columbia. It states:

The judgment of the supreme court on Japanese deportation touches the lives and destinies of 10,000 to 15,000 people of Japanese blood and may have tragic consequences for every one of them. But that is not all it does.

It also touches the lives and destinies of 12,000,000 Canadians, and the consequences to them may be tragic, too, if they do not take steps to protect themselves. The judgment is thus of greater importance to the Canadians who will remain at home than to the Japanese and the Japanese Canadians who may be deported under it.

And farther down:

The real question, however, is not what the government may or may not do. The question is what it has the power to do. No government, it is not too much to say, should have the power to deport any Canadian citizen and no parliament should have the power to confer such authority upon a government.

In the last election the Vancouver *Province* did not support me; but it supports, and supports nobly, the policy I espouse on this question. The editorial continues:

There are certain rights which are vital and fundamental. They should not be subject to revocation or destruction or interference. They should be sacred. Citizenship is one of these rights. The people of the United States, long ago, saw to it that their fundamental rights were safe-guarded. They placed a bill of rights in their constitution, and no president, no state or federal administration, no congress or court can interfere with them

And concluding:

Seven hundred thousand Canadians fought recently to protect fundamental rights. Tens of thousands laid down their lives. Are we going, now, to allow these fundamental rights to go by default? Or are we going to do something to guarantee them?

It is for those reasons that with the member for Vancouver South I would like to see the government bring into this house a bill to empower it to do what it did in an underhand way. At the very time we were discussing the emergency powers transition bill this government was drafting orders in council to put into effect what parliament said should not go into effect.

I do not think the hon. member for Vancouver South was really speaking for British Columbia. I have in my hand a clipping from the Vancouver *News-Herald* of March 23, 1946. It is J. K. Nesbitt's column, "Day in the House". It deals with the doings of the legislature during the session in Victoria. The subheading is "Putnam Wants Japs to Stay". Mr. Putnam is the minister of agriculture in British Columbia.

An hon. MEMBER: And a good man.

Mr. MacINNIS: A good man, I have not the slightest doubt. I believe he is a good man, and I think I shall prove it. I quote now:

Mr. Putnam was the first M.L.A. this session to refer to Japs. Time was when mention of this unfortunate section of Canadian people was sure to stir up a storm. The minister expressed concern that the Japs might be removed from the Okanagan. If this happens, said Mr. Putnam, it will be tough for the farmer, who desperately needs help.

Mr. Nesbitt concludes the paragraph:

Quite a change from the days when we heard Japanese-Canadians were useless.

I have one more quotation to make from the Vancouver *Province*, and I quote it because of all the indignities which have been heaped one after the other on the Japanese-Canadians. We have had Japanese in British Columbia for a long time. They fought in the last war when Japan was our ally; and let us not forget that there may be another war, and when the wheel of fate stops at the next war, the Japanese may again be our allies—who knows? If so, these little brown devils of to-day will be the little brown heroes of twenty-five years hence. I have here an excerpt from a news report which appeared in the Vancouver *Province* of February 24, 1920, dateline Victoria, B.C. It tells of a delegation which waited upon the provincial cabinet urging that the franchise be given in British Columbia to naturalized Canadians who fought in the great war. It says:

Leading the delegation was A. M. Whiteside, as counsel, while official support of the Vancouver branch of the great war veterans association for the Japanese was voiced by Captain Ian Mackenzie in his capacity as president.

Mr. MACKENZIE: That is quite right. It is well known.

Mr. MacINNIS: The quotation goes on:

It was pointed out to the government that 195 sons of Nippon—

They were called sons of Nippon in those days.

—had gone overseas from British Columbia in the ranks of the Canadian Expeditionary Force as naturalized British subjects. Out of this number 54 had given their lives in the allied cause and all but 12 of the remainder had been wounded more or less seriously. It was a matter therefore, it was stated, for the government at the moment to make provision in the Provincial Elections Act for 142 members of the Canadian Japanese Association. British subjects wearing the returned soldier's button, to share the full privilege of British citizenship as expressed by the right to vote.

Captain (Ian) Mackenzie, in answer to a question from the Hon. William Sloan asking what effect he expected the granting of such a request would have on the position of Hindus in British Columbia who had served with the imperial forces, replied that for the time being the great war veterans' association was not so much concerned with the details as with the general principles upon which the plea of the Canadian Japanese association was based.

I wish hon. members would think more of principles to-day than of details. Then listen to this. He goes on to say:

In his opinion these British subjects have vindicated the fundamental essentials of citizenship and an acceptance of that principle lay in the extension of the franchise.

An hon. MEMBER: A good speech.

Mr. MacINNIS: I fully agree with Captain Mackenzie, as he was then, because then he accepted and spoke on behalf of the principles of democracy. Let me say that the Japanese are no less to-day than they were in 1920. They are the same people, and they have demonstrated that wherever they have been allowed to fight on our side during this war that they can fight bravely. There was a battalion, if that is the proper term, of Japanese Americans who fought with the American army in Italy, and it was the most decorated unit of the American army.

I do not wish at the moment to say much more on this question. I think I have definitely demonstrated that this committee cannot in logic, in justice, or in common sense maintain the position that my hon. friends from British Columbia are trying to maintain.

There was one other peculiar statement made in this debate. It was made by the hon. member for Nanaimo, a Canadian who still

speaks with an English accent; consequently we would expect him to retain some of those principles of democracy that Englishmen usually carry with them, though perhaps not as conspicuously as they should in their dealings with Asiatics. The hon. member for Nanaimo suggested that the proper thing, the Christian thing, I think he said, was to send these people to Japan as missionaries to teach the Japanese our Canadian way of life. Bash a man in the face, kick him in the pants, and then tell him to go back to where he or his ancestors came from and tell his countrymen what a fine fellow you are. Yes, to preach the gospel, as someone behind me suggests, of brotherly love. I suggest to the hon. member, that if he has not done so already, he should read Bruce Hutchison's column on this subject, which appeared I think in the *Free Press*. Bruce Hutchison is no friend of mine, but I could not have put it better myself.

Mr. PEARKES: Can the hon. member tell me the page of *Hansard* that he is referring to? I do not think I have been quite correctly quoted.

Mr. MacINNIS: I cannot give my hon. friend the page number, but if he will look it up before I sit down, or after I sit down. and if what I have said is not correct, I will apologize humbly. But why delude ourselves with the idea that if we are foolish enough to send Japanese Canadians out of this country, they will be missionaries for our way of life? They will in fact be missionaries for a way of life which is not ours. There may be only a few of them, but the international implications of what we are doing at this time may be of supreme importance—of far more profound importance than the implications of arresting and keeping in detention without trial a few people here; although I am not condoning that act. Asia is a large continent, with an enormous population who have become pretty well tired of the white man's "superiority". Now, with the instruments of war which we have invented and which they can use just as well as we can, it may not be a good thing for the world if we goad them too far. So I suggest that in anything further we have to say in regard to this citizenship bill we try to think of Canadian citizens not according to the colour of their skin, the slant of their eyes, or the country from which they came, but as human beings.

The CHAIRMAN: I must remind the hon. member that his time has expired.

[Mr. MacInnis.]

Mr. MacINNIS: I have finished, Mr. Chairman; thank you. But I wish to call the attention of the hon. member for Nanaimo to the fact that the hon. member for Winnipeg North has found the page for me, and if you will pardon me I will read the paragraph to which I referred; it is on page 704:

> I think from the high Christian point of view now is the opportunity to repatriate the Japanese back to their homeland where perhaps they would be able to introduce to Japan, which has suffered so much, some of the western and Christian ideas that they have learned and in this way raise the standard of the other Japanese. They can do a great missionary work there. If they have not assimilated the ideals of western civilization while they have been here, they never will, and we should send them back.

There is no indication, Mr. Chairman, that the Japanese Canadians have not assimilated the ideals of civilization, but there are disturbing indications that people who talk in that way have not assimilated the ideals of Christian civilization.

The CHAIRMAN: Shall the amendment carry?

Mr. GIBSON (Comox-Alberni): Mr. Chairman—

The CHAIRMAN: Before the hon. member speaks, may I remind the committee that they are discussing section 17, the marginal note of which is "By renunciation where dual nationality", together with the amendment moved by the hon. member for Vancouver Centre. The remarks of the last speaker were in order largely because the amendment has probably been introduced to meet certain objections made by hon. members to whom he has referred; but I do not think it is the desire of the committee to enter into a general discussion of the Japanese question,—

An hon. MEMBER: Oh, yes.

The CHAIRMAN: —and I would ask hon. members to confine their remarks to the section, and more particularly to the question of dual nationality.

Mr. GIBSON (Comox-Alberni): Mr. Chairman, I understood that when we arrived at sections 16 and 17 after they were stood over we would have the opportunity to go into this matter which the hon. member for Vancouver East has just brought up; and in view of the very wide latitude which, I must say, you have allowed him, I trust you will allow me some small measure of the same latitude.

Mr. MacINNIS: Similar latitude is allowed to all other speakers from British Columbia. We are in a preferred class, I imagine.

Mr. GIBSON (Comox-Alberni): Are you addressing the Chair or are you addressing me?

Mr. MacINNIS: The Chair, of course.

Mr. GIBSON (Comox-Alberni): The hon. member is talking into his beard, I imagine.

One of the remarks made by the last speaker was "I do not think that the hon. member for Vancouver South is speaking for British Columbia." Personally I was quite sure that that was the reply that the hon. member for Vancouver South would give to him; but so far as the hon. member for Vancouver East is concerned I am quite certain that he is not speaking for quite a large section of his constituents of Vancouver East. He is probably speaking for the Japanese who resided there formerly, but he certainly is not speaking for the Army and Navy Veterans of that constituency. I have a resolution which was forwarded to me the other day, passed by the Army and Navy Veterans, East Vancouver, unit 68, with regard to the Japanese. I do not know whether the hon. member has read this resolution or not. If not, I will bring it to his attention, and it may change his views on the subject.

An hon. MEMBER: Read it.

Mr. GIBSON (Comox-Alberni): I should like to get this on the record; it is well worth while:

Whereas an insidious campaign is being carried on, particularly in eastern Canada, with a view to again inflicting upon the people of British Columbia the Japanese scourge, from which welcome surcease has been given during the past several years;

And whereas paid press propagandists, subversive political groups and ill-advised religious idealists are raising the false issue of racial prejudice in a determined endeavour to prevent the deporation of the Japanese to their homeland and at the same time advocating the restoration of their former privileges and holdings in this province;

And whereas experience has amply demonstrated that the Japanese in Canada are and have been a fascist-minded, easily regimented, closely integrated group of foreigners, wholly unassimilable, and always a threat to our Canadian way of living, and whether Canadian-born, naturalized or not, have always borne true allegiance to the Emperor of Japan only;

And whereas their return to British Columbia will seriously complicate an already difficult situation and render almost impossible the re-establishment of our ex-servicemen in all lines of small business, fishing, farming and fruit growing:

Be it therefore resolved by this Provincial Command of the Army and Navy Veterans in Canada, in convention assembled, that the dominion government be strongly urged to proceed immediately with the repatriation of all persons of Japanese origin; and, in the alternative, should such be impossible, that the lower mainland and the coastal regions of British Columbia be forthwith declared a defence area, from which all persons of Japanese origin shall be totally excluded for a period of at least ten years next ensuing:

And that copies of this resolution be forwarded to the Right Hon. W. L. Mackenzie King, Prime Minister of Canada, and to the British Columbia members of parliament.

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

Mr. GIBSON (Comox-Alberni): Certainly.

Mr. MacINNIS: There is a letter accompanying the resolution. Who signed it?

Mr. GIBSON (Comox-Alberni): It is from the army and navy veterans, British Columbia provincial command, signed H. E. Warburton.

Mr. MacINNIS: My hon. friend said that it was from Vancouver East. I received a copy and it was from Vancouver, not from Vancouver East. An attempt was made to put over a fast one, I suggest that my hon. friend withdraw the statement that it was from Vancouver East. The people from Vancouver East gave me a majority, and all other candidates lost their deposits. That indicates that they stand by my position.

Mr. MARTIN: I do not wish to interrupt my hon. friends, but surely this discussion has not a great deal to do with the question of dual nationality. The rules are clear; hon. members ought to confine themselves to the section.

The CHAIRMAN: I believe I made my interpretation of the procedure quite clear a moment ago when I pointed out that we were discussing section 17 with reference to dual nationality, and that all debate should be strictly relevant thereto. I would ask hon. members to confine their remarks strictly to the section.

Mr. GIBSON (Comox-Alberni): The Japanese of course are the largest group of dual nationality citizens we have in Canada. In reply to the hon. member I may say that this resolution was passed and submitted to the provincial command by the Vancouver East unit No. 68. The government has a particularly difficult job on its hands trying to satisfy everyone from British Columbia, but actually, it seems to me, the solution is simple. If they can satisfy one province in confederation with regard to its very simple demand, that the Japanese be excluded for a specified number of years, something that was actually promised, I should think they would leap to that opportunity. The other night when we reached section 46 I offered an amendment which, had it been accepted by the government, would have given us power

to keep the Japanese out of the Pacific coast area for the next twenty years. Why the government showed such undue enthusiasm, such unnecessary enthusiasm in getting out Beauchesne's fire extinguisher to put that out, I do not know. As a matter of fact in the election campaign the government was definitely committed on the point that the Japanese would be kept from that coast for a period of years. The undertaking at the time was that they would be kept away in perpetuity, but we are willing to concede a small point in that regard, and this is an opportunity for the government to implement that promise. I am quite sure the Minister of Veterans Affairs would be particularly happy if the promise were carried out.

The CHAIRMAN: Order. I have allowed the hon. member to express his opinion, but I cannot see how excluding the Japanese from a certain section of the country has anything to do with the clause under consideration with reference to dual nationality.

Mr. BLACKMORE: Mr. Chairman, I have suffered from such a ruling three or four times and so have others. I respectfully submit, sir, that if you sit quietly and allow members to spend twenty-five or thirty or forty minutes on a question, presenting one side, and then refuse anyone else in the committee permission to present the other side, you are certainly giving a decision which it is difficult for anyone to understand, and certainly it does not conduce to anything like frank, free and fair discussion in the house. If this sort of thing goes on, how can any hon. member answer any point that is made against him? Undoubtedly, from the point of view of British Columbia, there is no more urgent question to be discussed at the present time than this one. I am not questioning the ruling, but I certainly think it is time to draw attention to this situation. With all respect I suggest to the chairman that if he wishes to cleave to the rules he should prevent anyone from making any attack and not stop the man who is beginning to defend himself.

Mr. COLDWELL: May I suggest, Mr. Chairman, that the member for Vancouver East has listened to attack after attack, not only upon himself as a member from British Columbia who takes a view opposed to the views held by other members from that province, but upon the party with which he is associated. He waited patiently until the time came when he could reply to those attacks, and I believe you were quite justified in permitting the reply. Now, however, it is a question whether further discussion is to be had, and if attacks are made replies will have to be permitted. The chair was quite justified, in my opinion, in allowing the member for Vancouver East to reply when attacks were made upon him. I think the committee will agree that this a fair statement of the case.

Mr. GOLDING: I would point out that it was thoroughly understood that the member for Vancouver East would have an opportunity to speak on that particular section, and I happened to be in the chair at the time. He did rise to speak on another section, and an amendment was moved and carried and he was not allowed to speak. In all fairness I think he should have been allowed to take advantage of this opportunity to present his case. May I make this further remark. I suggest that the remark made by the hon. member for Comox-Alberni with reference to the ruling on the amendment was entirely uncalled for. There are rules in this house, and it does not matter who happens to be in the chair, the chair will always, I believe, try to be fair and to stick to the rules. The amendment which the hon. member proposed at that time was completely out of order. I was in the chair at the time and I so ruled, and if I were in the chair again under the same circumstances I would have to give the same ruling. I do not think it is right to speak of "Beauchesne's fire extinguisher"; it is not fair.

The CHAIRMAN: I must agree to a large extent with what has been said by the hon. member for Lethbridge (Mr. Blackmore). I would not think of shutting off discussion if I have allowed some hon. member to take advantage of the rules. The hon. gentleman's point is well taken. I must say, however, that it shows the difficulty which arises when an hon. member departs from the rules. It prolongs debate unnecessarily. For that reason I would ask all hon. members to try to abide by the rules. I hesitate to interrupt an hon. member unless it is absolutely necessary, and hon. gentlemen can assist greatly by resolving to abide by the rules, more particularly the rule that all speeches in committee must be relevant to the clause under consideration. The hon. member for Rosetown-Biggar suggested that the hon. member for Vancouver East had been attacked time and again in the house. If that was so, the hon. member should have risen at the time and not have waited for some other clause to come up before rising to discuss what had taken place days before. I hope that from now on all hon. members will discuss the sections under consideration. The section under consideration at the present time is section 17, which has to do with dual nationality.

Mr. GIBSON (Comox-Alberni): I thank you for your ruling, and also for the opportunity which you are giving me, and I shall try to abide by your ruling. With regard to the hon. gentleman who was acting as chairman the other night, may I say that if he took exception to the remarks I just made he must have misunderstood what I said. My reference was to what I thought was the great activity that the members of the cabinet displayed that evening. Three of them were in the house, and they displayed considerable interest in what was going on. So far as his decision is concerned I am certain it was well and fairly given.

With reference to this question of dual nationality, I would point out that the difficulty has arisen from the fact that we cannot get any definite answer from the government. If they would give us an answer "yes" or "no", we would know where we stand. The people of Comox-Alberni believe that the Japanese are going to drift back to British Columbia. Until we have had some word from the government one way or the other I am afraid we shall have to ask them certain questions on every opportunity that presents itself.

There is an excellent precedent of this house for an evasion on the Japanese issue. I had occasion to browse through *Hansard* of 1908, and I found that there was a long discussion on the Japanese question. At that time we were having trouble with the Japanese in British Columbia. In 1908 the present Prime Minister was deputy minister of labour, and he came out to British Columbia to try to solve the problem. I find from *Hansard* of January 1908 that the Conservative party of the day was trying to get an answer from the government. The discussion ranged over a few hundred pages of *Hansard,* but the government was pretty light on its feet at that time too. It is curious to find that a certain Mr. Owen, a member of parliament of that day finally got the minister driven into a corner. He asked this question:

> Will the hon. minister tell the house to what extent the Japanese government promised to restrict immigration?

The Hon. Mr. Lemieux, who was postmaster general at that time, said:

> My hon. friend is too inquisitive. I will not answer, not from disrespect for him but because if I did answer, I would commit an act unworthy of a Canadian representative, and unworthy of myself.

I hope that the government is not going to take the same position at this time. They should have learned something in forty years.

Mr. MARTIN: Are we discussing section 17?

Mr. GIBSON (Comox-Alberni): We shall get along. All that the British Columbia people are asking for is a definite statement. The government, which is just as much responsible to the people of British Columbia as it is to the Japanese citizens, should give that answer. I can tell the committee quite definitely that if Japanese people are allowed to come back to British Columbia there is going to be trouble. This government owes it to our Japanese residents in Canada to protect them to that extent. In my own constituency we had the Pacific coast militia rangers during the war. They did an excellent job of seeing to it that the Japanese did not invade us from the west, and they are equally determined at the present time that we are not going to be invaded from the east. The government should bear that fact in mind, because they owe the Japanese that protection.

I am not going to ask the indulgence of the committee to say any more at this time, but I did intend to say something further on the Japanese question.

Mr. COLDWELL: May I ask a question that is relevant to the section?

Mr. MARTIN: Thanks.

Mr. COLDWELL: It has to do with something which has puzzled me for a long time. I have read the declaration that a prospective citizen of the United States makes when he applies for his first papers. It has always puzzled me how a man who makes that declaration can afterwards be regarded as a Canadian national. I am referring to a subject of His Majesty the King, which, I understand, is the qualification of a British or Canadian citizen or national.

Mr. MARTIN: If he acquires—

Mr. COLDWELL: I have not the phraseology before me. I know it because I have read it a number of times. He forswears all allegiance to every foreign king or potentate, including, if he is a British subject at this time, His Majesty King George VI of the United Kingdom and the British dominions. It seems to me from that point on he forswears his citizenship, and yet if he comes back to Canada he is not required—

Mr. MARTIN: That is not quite right; it is an intention to forswear.

Mr. COLDWELL: I do not know. It is a pretty strong statement.

Mr. MARTIN: A strong intention.

Mr. COLDWELL: It has always struck me that it is difficult to reconcile the kind of discussion we have had, for example, on British citizenship, with a statement—even if it is an intention—of that description made by a British citizen, without his making some other declaration after he comes back to this country to show that he is prepared to fulfil his obligations as a Canadian citizen and a subject of His Majesty the King. When I read the bill it struck me that nowhere is that point covered. We have had a long discussion here on the Japanese. We are not talking about the Japanese. I have no sympathy with the Japanese. We are talking about Canadians of Japanese origin. I am a Canadian of British origin; we are all Canadians of some origin. If a Canadian of Japanese origin or of Egyptian origin or of Chinese origin or of any other origin takes an oath of allegiance to His Majesty the King and becomes a British subject, we expect him to remain a British subject. If he forswears, or even says he is going to forswear, that allegiance, I think there is some form he should go through in order to restore his citizenship.

Mr. WINKLER: I agree with what the hon. member for Rosetown-Biggar has just said. It is well known that a Canadian who takes out papers for United States citizenship has to swear that he or she is willing to take up arms against Great Britain if necessary. That point should be borne in mind in considering this section.

Mr. ADAMSON: If we pass section 17 we shall be giving up a great deal of the protection which is afforded to a Canadian as a British subject. A Canadian was, and, I assume and hope, still is to be, considered a British subject, although a Canadian citizen.

Mr. MARTIN: That is section 26. We have passed that.

Mr. ADAMSON: All right. But by section 17 you are doing one of two things. I have objected to sections 16 and 17 on this account. These sections will bring about great difficulty for many Canadians who find themselves citizens with dual nationality. I speak for many thousands who are living in South America to-day. I also speak, as did the hon. member for Rosetown-Biggar, for the man who has taken out his first papers in the United States and has sworn, not allegiance to the United States constitution, but disavowal of allegiance to His Majesty King George VI. It seems to me that under section 17 a man who has taken out his first citizenship papers in the United States has become stateless. There is no other interpretation I can put on this section. In our endeavour to emphasize Canadian citizenship we are throwing away a very valuable thing which we had and have as British citizens. We are British subjects but of Canadian citizenship.

Mr. MARTIN: This section is an old one; it does not change anything that has not been the law for thirty-four years.

Mr. ADAMSON: It seems to me that it is subject to an interpretation which jeopardizes our position abroad as British citizens.

Mr. MARTIN: Not a bit.

Amendment agreed to.

Mr. FULTON: I take it we are now dealing with section 17 as it stood in the original bill and which is now subsection 1 of the new section 17?

Mr. MARTIN: That is right.

Mr. FULTON: Would the minister give consideration to a suggestion that the section be amended by striking out the word "if" in the fourth line and inserting the words "unless he renounces nationality or citizenship of that country" and striking out the words "and still such a national or citizen, a declaration renouncing his Canadian citizenship." The section would then read:

> Where a natural-born Canadian citizen, at his birth or during his minority, or any Canadian citizen on marriage, became or becomes under the law of any other country a national or citizen of that country, unless he renounces nationality or citizenship of that country he shall thereupon cease to be a Canadian citizen.

That I think could cover the cases such as we have in Canada at the present time whereby an act, such as the registration of a person's birth with the Japanese consul, gives a person the nationality of another state.

While I am on my feet I wonder if I might be permitted to refer briefly to what has occurred in connection with these Japanese. I think a study of *Hansard* will show that the cases we are referring to are those which were the subject matter of this order in council.

Mr. MARTIN: I rise to a point of order. I am prepared to deal with the suggestion of my hon. friend, but I do not want to get into a discussion of the Japanese. Surely we have dealt with that matter.

Mr. FULTON: Nor do I.

Mr. MARTIN: I am prepared to deal with my hon. friend's suggestion, unless he wants to go on to discuss it.

Mr. FULTON: I mentioned the Japanese in order to illustrate the importance, as I conceive it, of this amendment. Last night

the minister stated that under our law as it stands at present the dual nationality of a Japanese citizen is recognized. While I am on this subject I should like to clear up a certain matter. At one point last night I interjected a remark that the minister had said that according to our law they were not citizens of Canada. I find upon studying *Hansard* that the minister did not say that. I wish to assure him that it was not my intention to put words into his mouth, but in the heat of debate I understood him to say that.

The importance of this amendment can be illustrated by the present situation of the Japanese in British Columbia which has given rise to so much discussion in this house. The position which has been taken by us is that the government's action in December would be wholly objectionable and our case against the Japanese would be unfounded were it not a fact that the Japanese possess this dual nationality. Our stand is further supported by the fact that the Japanese in question have actually renounced their Canadian nationality and status, which I think removes the inconsistency which has been alleged so violently by the hon. member for Vancouver East. However, respecting your ruling, sir, I shall not deal further with that subject.

I repeat the contention which we have made from the outset, that it is important, and it has been proved by this bill to be important, to have the status of these Japanese cleared up and decided before the bill becomes law.

Mr. MARTIN: The suggestion of the hon. member amounts to compulsory renunciation in the case of dual nationality, and I regret to say that I cannot accept that. The hon. member for Vancouver South was kind enough to bring the same point to my attention this morning, and thus give me an opportunity to reconsider something which we have considered in the preparation of the bill. First of all, no country has legislation in exactly that form. Under the laws of certain countries there can be no loss of nationality no matter what act of divesting takes place, and the result would be that we might place an individual in a rather difficult position.

There is a further consideration. If you were to compel renunciation, say in the case of a Canadian-born woman who acquires another nationality by marriage under the law of another country, you would deprive her of something which she may wish to retain and which, because of the laws of another country, she can do nothing about because of the compulsory feature. I think that administratively it would be impossible, and on principle I do not think it is desirable.

Mr. GREEN: The minister has mentioned the matter I discussed with him this morning. He will remember I suggested that he take power under the bill to require an election where a person has two or more nationalities. Probably that power would not need to be exercised very often, but I think it would be well worth while to have it set out in the bill, so that where some condition arises under which it would be wise to find out just what the allegiance of a person is, the Secretary of State could do so. Has he given consideration to the suggestion?

Mr. MARTIN: Yes. I have tried to deal with it in the reply that I made.

Mr. FLEMING: The cases referred to by the Secretary of State are cases of involuntary nationality, and one can see a reason for the position taken by the minister where that second nationality is possessed or acquired in that way. I know it is the practice of some European and certain Asiatic countries to insist that a subject shall never lose his nationality no matter what he does. Is not there some room for the provision for or reservation of an election as suggested by the hon. member for Vancouver South, to cover those whose second nationality is not acquired involuntarily in that way?

Mr. MARTIN: I do not think I can add anything more.

Mr. MATTHEWS (Kootenay East): Attention has been drawn to the dual nationality of certain Canadian citizens of Japanese origin, acquired by the registration of their births by their parents with the Japanese consul. I should like to ask the Secretary of State whether a Japanese consul now resides in Vancouver and is functioning in his office.

Mr. CRUICKSHANK: God forbid.

Mr. MATTHEWS (Kootenay East): I did not know the hon. member over there was the Secretary of State. My second question is this: Are the Canadian born children of Japanese parents being registered at the present time with any Japanese official?

Mr. MARTIN: I do not know anything about the last question, but answering the first question I will say that there is no such person in Canada. Canada was and technically may still be at war with Japan.

Section agreed to.

On section 45—Acts repealed.

The CHAIRMAN: The hon. member for Vancouver Centre has moved: that the section be amended by numbering the present clause No. 1 and by adding thereto the following section as subsection 2:

(2) Where, in any act of the parliament of Canada or any order or regulation made thereunder, any provision is made applicable in respect of

(a) a "natural-born British subject" it shall apply in respect of a "natural-born Canadian citizen," or

(b) a "naturalized British subject" it shall apply in respect of a "Canadian citizen other than a natural-born Canadian citizen" or

(c) a "Canadian national" it shall apply in respect of a "Canadian citizen," under this act and where in any act, order or regulation aforesaid any provision is made in respect of the status of any such person as a Canadian national or British subject it shall apply in respect of his status as a Canadian citizen or British subject under this act.

Mr. GREEN: Is this amendment offered primarily to make certain that the bill we are now considering shall not invalidate in any way the measures taken by the government to carry out the Japanese policy announced by the Prime Minister last December?

Mr. MARTIN: This amendment is introduced to cover that point, and to cover any other statutes, any other orders which in any way might affect the subject matter of this bill. This matter does not invalidate or validate the measures mentioned.

Mr. COLDWELL: Well, may I ask the Secretary of State a question, then? Will support for this section in the bill, and therefore for the bill itself, be support for the policy laid down in the orders in council which are referred to in this particular amendment? If so, so far as we are concerned we shall oppose the bill, and oppose it strenuously.

I should like to have an answer to that question, because the answer given to the hon. member for Vancouver South would indicate, by inference, that those of us who are opposed to what is suggested to be done with loyal persons of Japanese origin, are in agreement. Let me point out that no charge has ever been laid against many of those people, and we are not going to support a measure which can be construed subsequently as validating what we believe to be an act of injustice toward many people.

If the government wishes to deport people who are guilty of sedition or guilty of disloyalty to this country, well and good—if they are not Canadian citizens. But if they are Canadian citizens, then proceed against them according to the laws of Canada.

Mr. MARTIN: May I say—

[Mr. Martin.]

Mr. COLDWELL: But do not go about it in this way. I want to be clear on that, because it is important to us. As has been said, we have for years taken a point of view which has been unpopular. We still take it, believing that ultimately the ideals of right and justice which are behind our position will prevail.

Mr. MARTIN: May I answer in this way, that what I have already said in answer to the hon. member for Vancouver South, and what I said the other night in the house, clearly inidcate that the intention behind this subsection is not that of in any way affecting any existing order, one way or another. We are not dealing with the merits or demerits of the particular orders in council the hon. member has in mind. My statement the other evening clearly indicates that. The matter is not affected, one way or the other. We are not dealing with the merits of the particular problem to which attention has been called.

Mr. COLDWELL: But it is related to this other problem, according to the answer given by the Secretary of State.

Mr. MARTIN: No; it does not affect those orders one way or another. This measure does not deal with the merits of that particular question, which is now before the courts.

Mr. STEWART (Winnipeg North): If this amendment were not in the bill, what effect would the orders in council have?

Mr. MARTIN: I do not think it would affect them at all, and I said so when the matter was first discussed. However the law officers of the crown point out to me that there was some doubt in connection with the application of certain statutes. And since a question had been raised as to the relationship between this measure and certain orders, it seemed best to make it clear that the measure in no way affected those other orders. So I can only repeat that the merits or demerits one way or another of those particular orders are not affected in any way by intention, implication or direction.

Mr. FLEMING: Does it not go farther than that? Not only are the merits not affected, but the provisions of the orders are not affected.

Mr. MARTIN: That is correct.

Mr. FLEMING: And the whole purpose of the amendment was to remove any doubt affecting those particular orders.

Mr. MARTIN: Yes.

Mr. FLEMING: So that it is perfectly proper for any hon. member, notwithstanding his view as to the propriety of the orders, or the principle in them, to support the amendment; because all he is saying is that in a general bill of this kind there will be no application to those orders.

Mr. MARTIN: Yes.

Mr. COLDWELL: I wished to bring that point out. That was why I asked the question. I am quite satisfied with that position.

Amendment agreed to.

Section as amended agreed to.

The CHAIRMAN: Shall I report the bill.

Mr. MARTIN: Mr. Chairman, may I ask the indulgence of the committee just for a moment. This has been a long discussion, and I am not complaining by any means. In a bill of this kind I believe a thorough discussion is most desirable. This is a bill having great implications, because of the type of subject with which it deals. But as a junior minister who has piloted thus far his first bill through second reading and the committee stage, may I say that I am truly grateful to the committee for its forbearance and its understanding of my shortcomings.

Mr. COLDWELL: I think the Secretary of State has done a good job.

Bill reported.

GOVERNMENT COMPANIES

OPERATIONS AND FINANCING—SUPERANNUATION AND PENSION PROVISIONS, ETC.

Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the operation and financing of government companies, to define their status as agents to His Majesty, and to provide further for the superannuation, pension or other rights of the employees of such companies.

Mr. GREEN: Mr. Speaker, before we proceed with this business, may I point out that last night when the question was asked as to what the business for to-day would be, the following reply was given:

Mr. Mackenzie: To-morrow we shall take up Bill No. 7 at the commencement of the proceedings. After the conclusion of that measure we shall take up any second readings of the minor bills on the order paper.

This order of business is not a bill; it is a resolution. We are not in a position to deal with it to-day, because the Minister of Veterans Affairs indicated last night that other business would be taken up this afternoon. Therefore we must ask that the measure be not proceeded with at this time. It is a most important one, and we must have proper notice before debate takes place.

Mr. MACKENZIE: Mr. Speaker, last night, of course, I intended to refer to any other business on the order paper. Probably I was not specific enough. In any event, this is only a resolution, and there will be ample opportunity to discuss the merits or demerits of the proposal when the bill is introduced.

Mr. GREEN: There are many hon. members in the official opposition who, had they known this matter was to be debated to-day, would have been here to take part in such debate. I must object to the government's making promises, and then breaking them the following day. If these statements made at adjournment each evening concerning the following day's business are to have any value, they must be followed.

There are on the order paper many bills which could be given second reading to-day, and the government should carry out the promise it gave last night.

Mr. MACKENZIE: In that connection may I reply that, except by way of courtesy, there is no such thing as necessity for any promise in regard to the business of the following day. I tried, and I intend to continue to try, to meet the wishes of hon. members opposite as far as possible. But there is no obligation whatsoever upon the government, and never has been, except in a general way, to announce in detail the business for the following day. Ministers have business to attend to outside the house which sometimes necessitates changes in the order of business here.

Mr. BRACKEN: I have understood that when the acting leader of the house tells us what the next day's business will be the order announced will be followed. If now we can place no faith in these statements we shall know what value to put on them in future. All I wish to say at the moment is that we on this side are not prepared to proceed with this resolution, or with the other resolution this afternoon, for the reason that neither had been announced.

On Friday night the acting leader of the house announced that a certain motion would come up for discussion yesterday. That was proceeded with. Last night there was no announcement that this particular resolution would be proceeded with to-day. If the decision is that it will be proceeded with to-day I can only say that we are not prepared to discuss it at this time.

Mr. MACKENZIE: If my hon. friend insists on taking that position I shall not feel compelled to announce the business for the following day, but naturally I wish to cooperate with the leaders of all parties. Sometimes the order of business has to be changed on very short notice. You cannot always have rigid control over the whole business of the house. You can only try to make the closest possible approach to it. I have frequently met the leaders of the various groups and given them all the information I had regarding the business for the next day, and then next morning something arises to necessitate a change in the order of business.

Mr. BRACKEN: We knew nothing of this resolution coming up until a few minutes ago.

Mr. GREEN: The minister announced last night that we would take up to-day any second readings of minor bills on the order paper. There are on the order paper for second reading Bill No. 9, to amend the Navigable Waters' Protection Act; Bill No. 10, respecting the appointment of auditors for national railways; Bill No. 14, to amend the Export Act; Bill No. 16, respecting the manufacture, testing, storage and importation of explosives; Bill No. 15, to amend the criminal code (race meetings); Bill No. 54, to amend the Reinstatement in Civil Employment Act, 1942; Bill No. 17, respecting the marking of articles containing gold, silver or platinum; Bill No. 29, to amend the Opium and Narcotic Drug Act, 1929; Bill No. 56, to amend the Naval Service Act, 1944; Bill No. 57, to amend the Royal Canadian Air Force Act; Bill No. 61, to amend the Yukon Quartz Mining Act; Bill No. 62, to amend the Yukon Placer Mining Act; Bill No. 63, respecting the boundaries of certain national parks—

Mr. MACKENZIE: Mr. Speaker, I rise to a point of order in regard to procedure.

Mr. GREEN: There is only one more second reading on the order paper.

Mr. MACKENZIE: An item was called by you, Mr. Speaker, and I ask if it is in order for the hon. member to discuss every other item?

Mr. DEPUTY SPEAKER: The discussion has not been strictly in order. There is a motion before the house that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole to consider a certain resolution.

Mr. HOWE: Mr. Speaker, I must say that the leader of the house changed the order of business at my request. There happens to be an important air conference in Montreal starting on Monday next which will require my presence there for some two weeks, with perhaps a break here and there. The railway committee is now sitting, and I feel it necessary to spend a day or two there in connection with Trans-Canada Air Lines. It is for that reason that I asked the privilege of advancing this resolution one stage to-day. I had hoped that the discussion would come on the bill, and not on the resolution. The resolution is rather a colourless statement of the contents of the bill. But since there has been objection to proceeding with the resolution to-day, I suggest that I be allowed to make my statement, and then any member of the opposition can adjourn the debate. That would help me a little. I am fairly busy just now, and I do not like to prepare a statement of this kind several times. I am afraid that if I go away for two weeks without making my statement now, I shall have to prepare it all over again.

Mr. BRACKEN: If the acting leader of the house had communicated that to us we would have been only too glad to accede to the minister's request. We have never objected to the procedure that the leader of the house has suggested, but we never heard of this resolution coming up to-day until three minutes ago. The suggestion just now made by the Minister of Reconstruction is most acceptable to us.

Mr. COLDWELL: It is rather a pity that we did not know before about this resolution coming up, but after all it is proposed to advance the resolution only one stage and there will be ample opportunity for debate when the bill is before us. I think we should try to free the minister by hearing his statement this afternoon and then the debate could be adjourned. On another occasion, however, I will join with the leader of the opposition in expressing the hope that the leader of the house will get in touch with the party leaders before the house meets in the afternoon if there is to be any change in the announced business.

Mr. DEPUTY SPEAKER: I understand that it is the desire of the house that I put the motion, and that in committee of the whole the minister will make a statement.

Mr. GREEN: On the understanding that after he has made his statement the debate will be adjourned.

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

Mr. FLEMING: It is understood that the resolution is not to be reported to-day but that there will be an opportunity to consider the matter further. Is that correct?

Mr. HOWE: I have said that I have no objection to any member adjourning the debate if he wishes to do so after I have made my statement, but of course I should be glad to have the resolution advanced one stage if that were agreeable. I am in the hands of the committee after I make my statement, which will be short.

Some hon. MEMBERS: Go ahead.

Mr. HOWE: The purpose of the resolution, and of the bill that will be based upon it, is to provide legislation to govern the conduct of crown companies. There are a number of crown companies which were established during the war years, which have now been liquidated, or are in process of liquidation, but there are three which will, I think, continue for a considerable period, and two others which will require to continue for a time at least.

During the war, some thirty-one crown companies were incorporated under part I of the Companies Act, 1934, to carry out special projects. Some of these companies, such as Polymer Corporation Limited and Canadian Arsenals Limited, will continue their operations for a considerable period. It may also be desirable, where statutory authority exists, to incorporate similar companies to carry out other special projects.

The present bill is intended to provide for the financing of such companies and in particular to enable them to use operating revenue to pay operating costs, and to enable emergency requirements for funds to be met; to define their status as agents of His Majesty; to make the usual provisions as to superannuation and other rights of civil servants who become employees of the company; to authorize the companies to set up pension and other welfare plans for employees who are not under the Civil Service Superannuation Act; to provide expressly for the application of the Government Employees Compensation Act to employees of the companies; and to provide for the making of annual and other reports by the companies.

Crown companies were an invention of the Department of Munitions and Supply in the early days of the war to provide a method for carrying out duties which could only be carried out with difficulty by the staff of the department. Hon. members will appreciate that, at the commencement of the war, the Department of Munitions and Supply had no staff. It was a newly created department, and it acquired its staff by going out into the highways and byways and inducing men with high patriotic purpose, men of skill and experience, to leave their civilian occupations and join the service of the government for the period of the war.

One of the first problems encountered was the establishment of a chemicals and explosives industry in this country adequate for war. Obviously the first and paramount requirement of war is an adequate supply of ammunition and explosives. We had a chemical industry in this country and that chemical industry was used to the full, but, in addition to that, it was necessary to establish new sources of supplies for chemicals, and to establish large-scale plants for the manufacture of explosives. A very large construction problem was involved,—ultimately requiring an expenditure of more than $100 million for new construction of chemical and explosive plants.

It seemed obvious to the department that it must enlist men of great ability to carry out that programme,—men who were able to command the special skills which would be required to make the programme a success. In looking about for ways and means of organizing that programme, the department hit upon the plan of organizing a crown corporation. Thus Allied War Supplies Limited became the first of the administrative type of crown companies.

Allied War Supplies Limited is now in process of liquidation, having carried out its obligations; and we can look back on the operation of that company with a good deal of pride. It built some magnificent plants; it produced chemicals and explosives in excess of the programme set for it; the work was carried out at reasonable cost; every obligation was met; and after war requirements ceased considerable earnings were obtained by sale of products produced by the plants, which helped in liquidating the cost of the projects; in fact several very expensive projects have been liquidated by the sale of the product into peace-time world markets. I shall be glad to go into that operation in more detail when the bill is before the house. I mention the work of Allied War Supplies Limited at this time as an example of the purpose of the crown companies and the manner in which that work was carried out.

Crown companies divide themselves into three classes. The first class includes the administrative and supervisory companies. Allied was in that class. It did not directly operate plants, but it supervised their building, arranged for the operation of the plants, and handled the sale of the product. A number of crown companies were in that class. In

second class were the manufacturing companies. We found as the war proceeded that it was necessary to increase the manufacture of certain products beyond the capacity of private industry to provide the service, and certain plants were built and operated directly by the government, through crown companies, to manufacture certain products. Research Enterprises Limited is an example of that class of plant. Another is Small Arms Limited, which produced vast quantities of small arms such as rifles and Sten guns. There are several other examples of crown companies established for the purpose of actually manufacturing.

Then there was the third class of companies, companies engaged in merchandising certain raw materials and in providing stockpiles sufficient to assure adequate supplies for war and civilian purposes. An example is Melbourne Merchandising company, which purchased the wool requirements of the country, stock-piled the wool and made it available to manufacturers during the war period. That company is now being liquidated. Another is Fairmont company, which performed the same duty in relation to rubber and allied products. A third is Wartime Metals, which was charged with the duty of keeping on hand an ample supply of metals not obtainable in Canada, such as tin and manganese. This company also undertook the expansion from Canadian sources of rare metals such as chrome, molybdenite, tungsten, mercury, and provided from Canadian sources sufficient supplies to meet all requirements during the war period. This company, Wartime Metals, is now fully liquidated.

One of the inducements for adopting the crown company plan was that it permitted men with business responsibilities of their own to give a good deal of their time to the government, in executive positions associated with a form of administration with which they were wholly familiar. The corporation is an accepted unit of Canadian business. Corporate practice is well understood by those engaged in private business. The corporate system of accounting is also well understood and has been highly perfected through experience over the years. Therefore, to bring into being a form of organization which was readily understood, to make it sufficiently flexible so that the head office could be established in a location most convenient to those men whom we wished to attract to the business, and to secure other advantages which appealed to us at the time, were the determining factors which led us to carry out a number of war operations through the agency of crown companies.

The crown companies during the war years were carried on in part under the War Measures Act and were financed from the war appropriation. The finances of each company were carefully segregated. I shall be glad to give the house, when the bill is before us, a financial statement on any one of the thirty-one operations which were carried out through crown companies. Each company was expected so to conduct its business that it would not be operating in red ink. In other words, each crown company was carrying out a business operation and it was expected so to conduct its business that receipts would at least cover expenditures.

Some of these companies have been amazingly successful. As far as war work was concerned, they sold to the Canadian government and to our allies at cost, but there were certain transactions outside the purely war field which were carried on at a profit. Many of the crown companies were wound up having considerable balances on the profit side, all of which were turned over to the crown in the form of a final dividend, or alternatively were used to reduce the cost of the product to the crown. The administrative companies had no direct means of obtaining revenues even though their business was carried out in such a manner that the plants whose administration they directed were themselves profitable. The administrative companies would show chargeable to them the cost of administration without offset of earnings. In order to determine the results of companies of that type, it would be necessary to look beyond the balance sheet of the company management itself, and examine the balance sheet of the plants which it built and administered. The breakdown there is in some cases difficult to arrive at, but I think I shall be able to satisfy the house as to the results that were obtained by companies of an administrative type.

Of the thirty-one companies, seventeen have ceased operation and are either wound up or very nearly so; nine are in process of winding up, and only five are still active. The five companies that are still active are Canadian Arsenals Limited, Polymer Corporation Limited, Park Steamships Limited, Wartime Housing Limited, and Eldorado Mining and Refining Limited. Of these five I anticipate that Canadian Arsenals, the Polymer Corporation and Eldorado Mining and Refining will continue as crown companies for many years to come. I also anticipate that the Park

steamships company and Wartime Housing will be wound up within the next three or four years at the maximum.

We are now asking that the crown company organization be formalized. In doing so we are making provision for a form of organization that has its own uses in the work of government, particularly as the work of government becomes more complex. I quite agree that the work of crown companies should be examined by a parliamentary committee from year to year. The war expenditures committee was charged with that function during the war years, and it may be that a committee similar to the committee on railways and shipping, government-owned, or perhaps the same committee, should examine the accounts of the crown companies from year to year. However, the books of all crown companies are kept by treasury officers of the government, and all accounts and transactions are audited by the auditor general of Canada, so that members of the house can feel every assurance that the creation of a crown company does not in any way weaken the ordinary safeguards that apply to government business.

One difficulty in analysing government-owned business in general is the government's method of bookkeeping. It is a simple method of bookkeeping. Everything that is paid out by the treasury is charged up as expenditures from a government appropriation and everything that is received is entered on the books as revenue. In a business, it is difficult to provide incentives with that kind of bookkeeping. Unless the corporation can be charged with its expenditures, and has to account for those expenditures, and at the same time receives credit for its income, and be expected to have the income side in excess over the expenditure side and be required to answer questions to a parliamentary committee if the reverse is the case, I think we lose a good deal in incentive to the personnel that is carrying on that particular government business.

The bill that will be based on this resolution provides for the normal corporation accounting for crown companies. I think that is an important feature of the measure. It also makes provision for the welfare of the employees of crown companies. These men are not civil servants, unless they have been transferred to the company from the permanent civil service. In cases where they have been transferred, the bill makes provision for their civil service protection to be continued. In the case of employees recruited outside the civil service, the bill provides for the benefits that are usual in similar private undertakings.

The bill has been carefully drawn. It is simple in form, and contains only those provisions that are required for the normal business of the corporation. At the same time, I believe the bill contains all the safeguards that parliament will require. However, hon. members can judge that for themselves when the bill is brought down, and I shall be glad to reserve for that occasion anything more I have to say.

Mr. BRACKEN: I have just two questions to ask the minister. His resolution states that it is expedient to introduce a measure to provide for the operation and financing of government companies, which the minister has referred to as crown companies. I presume this measure is made necessary because the companies were set up under the War Measures Act?

Mr. HOWE: Under the Companies Act.

Mr. BRACKEN: And now they are continued under the emergency powers legislation?

Mr. HOWE: They were set up under the dominion Companies Act, part I. They were operated to some extent under the War Measures Act, and were financed from the war appropriations voted by parliament. Therefore, since there are no more war appropriations, it is desirable that separate provision be made for finances and for operating method.

Mr. BRACKEN: That brings me to the point of my first question. If some legislation of this kind was not needed before, what is the special need for it now? Perhaps the minister will make that clear after I am through.

The other question is this. One of the purposes of the measure is said to be to define the status of these crown companies as agents to His Majesty and to provide further for the superannuation, pension or other rights of the employees of such companies. I had gathered from the resolution that these companies were not to be permanent institutions. Apparently they are either temporary or semi-temporary institutions. Would the minister explain why it is necessary to provide for superannuation, pension and so on in crown companies that, so far as we know, are intended only to be short-lived? There must be some thought that they will be long-lived institutions. These are the two points I had in mind to ask about.

Mr. HOWE: In reply to the first point, the particular need is to provide a method of financing for the companies. During the war the funds required by the companies were withdrawn from the war appropriation that

had been voted by parliament, and the receipts of the company were paid into the consolidated revenue fund. The companies had no right to retain in their possession funds beyond those required for operating. In other words, the companies worked on appropriations and paid their surplus funds into the consolidated revenue fund. This bill will enable each company to accumulate from its earnings the funds which can be used for the expenses of the company and would be held for that purpose to the extent of operational requirements.

Mr. BRACKEN: The effect is to remove them still farther from parliament.

Mr. HOWE: No; to bring them closer, if you like. The method of bookkeeping proposed is much easier for parliament to check than the method in the usual government accounting. I think that fact will appear when we examine the bill.

As regards the permanency of the companies, we have continuing operations that in my judgment will be better continued under an organization of this type. One is the Polymer Corporation, a vast chemical plant built for the manufacture of synthetic rubber to meet emergent war needs. It was built at a cost of about $50 million. In addition to the manufacture of rubber, certain by-products of the process are being sold as a basis for a great separate organic chemical industry. Already two or three important privately owned chemical plants are either in operation or are being constructed to purchase by-products of the Polymer plant. The Polymer operation is a tremendous undertaking, and I think it would be folly to attempt the operation without using a corporate form for the enterprise.

Mr. GREEN: That is a new crown company which is in contemplation?

Mr. HOWE: No; the Polymer Corporation was created to build and operate the synthetic rubber plant at Sarnia.

Mr. GREEN: The minister spoke about a new chemical company.

Mr. HOWE: The Polymer Corporation built its plant and has operated it for the past three years.

Mr. GREEN: The new chemical developments mentioned are to be carried on by Polymer?

Mr. HOWE: No; these are private developments. They will purchase as their new material certain by-products resulting from the preparation of the material for the Polymer process which were surplus to the requirements of the Polymer. These are becoming the basis of a substantial organic chemical industry in the same area. Private expansion in the organic chemical field will continue, I believe, and should the requirements of synthetic rubber be curtailed at any time it would prove to be a way of saving the government's investment by providing a market for the products that are at present the base materials for synthetic rubber.

Another crown company that will continue is the Dominion Arsenals Limited. Before the war, it was the practice to operate the arsenals as a branch of government. All the employees were civil servants, and the operations were carried on by civil service practice. An appropriation was made by parliament to cover the expenditures and any receipts were paid into the consolidated revenue fund. At present the arsenals are being operated as a crown company. There is a reasonable chance that the earnings of the arsenals will pay their operating expenses, and that an appropriation from parliament from year to year will not be needed, which will certainly be a welcome change in the pre-war arsenal situation. I shall be glad to explain the composition of Dominion Arsenals when we consider the bill. I believe that present arrangements are a great improvement in the method of operating continuing dominion government arsenals between wars.

A third company that should continue in corporate form is Eldorado Mining and Refining. This is a mining operation in a remote area in the northwest territories. It is one of the world's great suppliers of uranium and radium.

Mr. COCKERAM: What about their outside properties?

Mr. HOWE: All the Eldorado properties are owned by the Eldorado Corporation. This is the third corporation under the Companies Act which I think will be a continuing operation, at least as long as it is desirable the production of uranium be under strict government control.

I might explain the difference between a crown company referred to in this bill and other government companies. For example, War Assets Corporation is not a corporation under the Companies Act; it is a corporation created by act of parliament. That is the only company associated with the Department of Munitions and Supply, that is not a company under the Companies Act. This bill does not refer to the operation of War Assets Corporation.

Mr. BRACKEN: Then the minister's answer is that it is intended that at least three crown companies shall continue more or less indefinitely?

Mr. HOWE: Yes.

Mr. BRACKEN: So far as we are concerned at the moment we can look upon them as semi-permanent, or perhaps permanent?

Mr. HOWE: Yes, that would be the intention.

Mr. BRACKEN: The minister did not answer the question with respect to superannuation and pensions. If the government intends that some of these companies shall be permanent or long-lived I can understand that provision would need to be made for that kind of thing, but my impression was that these companies were only temporary in nature. I wondered, therefore, why it was necessary to have plans for superannuation and pension. Does the minister propose to give these companies power to make their own plans for superannuation and pension?

Mr. HOWE: The companies will be charged with the duty of formulating plans, but the plans must be approved by the government through order in council before they can be adopted by the company. The government has control over the appointment of personnel, salaries of personnel and matters such as superannuation and pension plans in the present regulations governing the company.

The need for a reasonable superannuation and pension plan will be apparent in the case of Polymer. Polymer is located alongside the Imperial Oil refinery at Sarnia. The type of employee is much the same as the type of employee of the Imperial Oil refinery. Hon. members are no doubt aware that Imperial Oil has an advanced policy in the matter of superannuation and benefits to its employees. It would hardly be practical for the government to carry on a similar operation alongside without having some plan of a corresponding nature. The same is true of the arsenals. In my opinion the number of civil servants in the arsenals should be reduced rather than expanded, and protection afforded by means of an adequate retirement and benefit plan. The same is true also of Eldorado.

Mr. BRACKEN: Does the minister anticipate that more than the three companies he has mentioned will be of a permanent nature?

Mr. HOWE: The department over which I preside has plans for only the three companies mentioned, although two other companies will require at least two or three years to liquidate their obligations.

Mr. GREEN: Which ones are they?

Mr. HOWE: Park Steamships is one and Wartime Housing is another.

Mr. STEWART (Winnipeg North): Will these social security plans be the same for all three companies?

Mr. HOWE: Not necessarily. The needs of different industries vary and each industry has its own pattern for social security. In some industries it may be desirable to have an earlier retiring age than in others, and other industries may require a different type of benefit. It has been the practice to permit the management to work out its benefit plan with its employees, and the companies have not been held to a standard pattern.

Mr. McKAY: Has the minister any figures as to the number of employees in each of these corporations? I am concerned at the moment only with the Polymer Corporation, Dominion Arsenals and Eldorado.

Mr. HOWE: Would my hon. friend permit me to give that information on the next occasion this matter is considered?

Mr. ROSS (St. Paul's): I have a couple of questions to ask, but before doing so I wish to bring something to the attention of the committee. I would not like to see what took place in connection with this debate become a precedent. Before Mr. Speaker left the chair the hon. member for Eglinton was on his feet and he certainly had the right to speak. He tried to speak but Mr. Speaker simply left the chair. The rights of hon. members should be respected and any hon. member who wants to rise to his feet to speak should be permitted to do so. Before we vote money on anything like this we should have an opportunity to have Mr. Speaker in the chair. I just bring that up in passing.

In connection with the Polymer Corporation, I should like to know the price per pound at which synthetic rubber is selling. I should also like to know if the plants of Dominion Arsenals are to be operated as pilot plants for experimental work. If so, how does the minister expect to make a profit? Perhaps he can give this information later on when the bill is before the house.

Mr. HOWE: My recollection is that synthetic rubber sells at 20½ cents a pound.

Mr. ROSS (St. Paul's): How does that compare with the price of natural rubber?

Mr. HOWE: Natural rubber has been selling for 45 cents a pound but I think the price of new importations is 24 cents a pound f.o.b. Malaya. I presume that would permit it to be laid down in Canada for about 30 cents a pound, or perhaps a little less. I am sure of the price at which synthetic rubber is selling but I am giving the other figures from memory.

Mr. ROSS (St. Paul's): Will our Canadian plant be able to compete in the future with the supplies of natural rubber?

Mr. HOWE: The fact that the government owns a synthetic rubber plant will not be used to deprive anyone from the privilege of purchasing natural rubber. Natural rubber is brought in without duty, and there is no obstacle to trade.

In my opinion nothing should interfere with the right of Canadian industry to purchase either synthetic or natural rubber. At the moment, even though the synthetic rubber plant is producing considerably in excess of its rated capacity, it is unable to supply the demands of Canadian industry. When the plant was built, it was tailored to meet war requirements, which we believed would be about double peace-time requirements, but the fact is that the full capacity of the plant is being used to meet peace-time requirements, just as it was used during the war years to meet war-time requirements. There is no indication on the horizon that there will be any change in the situation, at least for two years. Reports indicate that the natives in the jungle seem to have wakened up to the fact that they can sell their labour for money, and it seems doubtful whether they will be prepared to produce rubber for the low wages that prevailed in pre-war days.

Mr. ROSS (St. Paul's): Just what is proposed in connection with the Canadian arsenals? Are these plants to be operated as pilot plants for experimental work?

Mr. HOWE: The plants of Dominion Arsenals were never primarily experimental plants. They produce the requirements of the army in times of peace. Their work consisted partly of the overhaul of equipment, partly of the development of new equipment and partly of the replacement of wastage caused by the wear and tear of army manoeuvres in time of peace. As I have said, in former days an appropriation was voted for Dominion Arsenals and any work was charged against that appropriation until it was exhausted.

It is now proposed that Dominion Arsenals will charge the army, the navy and the air force for the work allocated to each arsenal. The work will carry with it a price, just as it did in war-time, and it is expected that the work performed in the arsenals will provide sufficient revenue to pay the expenses of operating. For instance, one arsenal plant is now producing ammonia nitrate fertilizer and selling it in the world market. It is also producing other chemicals which are being sold at a profit, and the total profits on this one operation are at present well over $1,000,000 a year, which is quite a contribution toward the cost of carrying the entire arsenals programme.

Another arsenal plant is engaged in overhauling 25-pounder guns for the army. That is an army contract which carries with it the same price it would have carried in wartime. The revenue the arsenal is drawing from that price will also help to carry the cost of the arsenal programme. Similarly, orders for ammunition are placed from time to time; perhaps not just at the present time, but they have been for years and doubtless will be again. That ammunition will be sold at a reasonable commercial price, and there again the proceeds will go into the arsenal fund.

It is my hope—perhaps it is rather a bold hope at this time, or until such time as we have more experience—that the work performed by the arsenals, paid for at reasonable commercial rates, will provide sufficient revenue to cover all costs of the arsenals, and perhaps provide a surplus which can be paid into the consolidated revenue fund.

Mr. DIEFENBAKER: While this resolution would appear to be a most innocuous one, I submit it represents an unusual advance in the direction of the government's going into business.

Some hon. MEMBERS: Hear, hear.

Mr. DIEFENBAKER: I note that there is applause from the C.C.F corner of the house, indicating that the minister will get support from that direction—

Mr. HOWE: And I hope from the Social Credit corner.

Mr. DIEFENBAKER: —in the stand which he has taken. I suggest that at some time during the discussion on the resolution the minister should let the country know to what extent the government intends to carry into effect a policy of that kind, or of going into or continuing in business in competition with private industry.

If the government is going into business, has consideration been given to the fact that it should accept the responsibilities ordinarily accepted by private industry? Has con-

sideration been given to the removal of the principle which has been in effect for many hundreds of years, namely that the crown cannot be sued. If the government is going into business, through the setting up of crown companies, in any bill introduced provision should be made so that suit can be brought against such companies, in the same way as against private industry.

Then, if the government is going into business should the ancient principle, that which states that because a company is a crown company it should not be subject to municipal or other taxation, be continued? If the government is going into competition with private business, or if it is going to operate industry by itself, should it depart from what is ordinarily accepted to be the ambit of government operations?

Is it not time to place in this measure a provision permitting that crown companies be sued, and that they be placed on an equality with corporations operated privately by their being required to make payments of taxation.

I suggest that the minister should reply to these points, because they are of peculiar importance at this time, owing to the fact that apparently the government has decided, in days of peace, to carry into effect a system of crown companies which operated in time of war. The minister has pointed out that they operated successfully in war time and that, generally speaking, they returned a profit. One can understand that. But we are now in days of peace, and we know that all crown corporations have not in the past returned profits. The fact that they are crown corporations does not necessarily establish any assumption that they will be successfully operated for the benefit of the public. I mention only one company—and I shall not discuss its affairs in detail—but if there is any corporation in the country criticized to-day, then certainly that corporation is War Assets Corporation. The people as a whole find it difficult to get any replies from it, and on many occasions to get service from it. Indeed, as someone suggests to me, even members of parliament experience the same difficulty; and that is a condition which I believe is general on all sides of the house.

I should appreciate the minister's outlining generally the adoption of any new type of policy by the government, so that the committee and the country will know just to what extent the government has decided to adopt socialistic principles at this time.

Mr. HOWE: I was called a socialist in the early days of the war, and now I am called a capitalist because I am liquidating socialized organizations. We built some government-operated plants, to a value of nearly $900 million. During the last few years we have liquidated the larger portion, as far as government ownership and operation are concerned.

We would be glad to sell the Polymer Corporation to private industry, if private industry would buy it. We built it to serve a great national need, particularly to serve a war need. It has been a successful undertaking, and is now operating at a substantial profit. It has already paid back in profits some $10 million of the $50 million. We are selling rubber at the ceiling price. We are prepared to meet competition for some time to come. However, I believe the manufacture of synthetic rubber by the government of Canada is for the general advantage of Canadian business. I have yet to hear any business man suggest it was not a good thing for Canadian business to have Canada's only source of rubber in the hands of the government, rather than in the hands of a private corporation.

The government has no intention of going into business unnecessarily. Occasions have arisen in the past where it was important and, I suggest, imperative, that the government go into business on a very large scale. Such occasions may occur again, and if they do I hope the government of that day will be bold enough to meet the situation. This fetish, in the minds of some people, that everything is wrong that is private industry, and in the minds of others that everything is wrong that is public industry, is a most ridiculous situation. Fortunately I am a Liberal, and hold no such theories. I regret to observe that my hon. friends across the way seem to be divided into groups that are unanimous, either on one side or on the other.

Might I remind hon. members that in a speech on March 31, 1943, Mr. Churchill offered the following observation:

> If we act with comradeship and loyalty to our country and to one another, and if we can make state enterprise and free enterprise both serve the national interest, and pull the wagon side by side, there is no need to fear.

Mr. BRACKEN: Is Mr. Churchill a Liberal?

Mr. MACKENZIE: He was at one time, he was in former days.

Mr. HOWE: Like my hon. friend.

Mr. GREEN: Has the minister available financial statements of crown companies in a shape which would permit of their being placed on *Hansard*?

Mr. HOWE: I should think that would not be possible. There are thirty-one companies, and the statements of some of them are involved. It may be that an abbreviated statement would mean but little.

However, I would be glad to put on *Hansard* a statement of any one company, and perhaps I may be able to meet the request of my hon. friend in full.

Mr. GREEN: Could they be laid on the table?

Mr. HOWE: I shall try to have them in such shape that they can be, but they are not in that shape at the present time. I have before me the latest financial statements from each of the companies. I am having prepared final statements of companies which have been wound up, and interim statements of others.

Perhaps at this stage I might ask hon. members whether they wish me to continue at nine o'clock. Some objection was taken earlier.

Mr. GREEN: We would like to have an opportunity to go over the statement that has been made, and then we would be prepared to go on with the resolution on another day.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 65, for the relief of Ruby Rosina Burnett Walters.—Mr. Maybank.

Bill No. 66, for the relief of Winnifred Violet Unsworth Thomas.—Mr. Maybank.

Bill No. 67, for the relief of Helen Louisa Willcox Reid.—Mr. Maybank.

Bill No. 68, for the relief of Richard Carter Eaton.—Mr. MacLean.

Bill No. 69, for the relief of Annie Coyle Frances.—Mr. Stuart (Charlotte).

Bill No. 70, for the relief of Beatrice Irene Moore Hawes.—Mr. Maybank.

Bill No. 71, for the relief of Laura Lillian Butler May.—Mr. Maybank.

Bill No. 72, for the relief of Gladys Ethel Standring Weldon.—Mr. Maybank.

Bill No. 73, for the relief of Elizabeth Maude Foy Gage.—Mr. MacLean.

Bill No. 74, for the relief of George Burley Beresford.—Mr. MacLean.

Bill No. 75, for the relief of Isabella Eleonora Cantlie Angus.—Mr. Maybank.

NAVIGABLE WATERS

APPROVAL OF WORKS CONSTRUCTED AS OF JUNE 1, 1938

Hon. ALPHONSE FOURNIER (Minister of Public Works) moved the second reading of bill No. 9, to amend the Navigable Waters' Protection Act.

Mr. D. K. HAZEN (St. John-Albert): Before this bill is read a second time I should like to ask the minister a question. The purpose, as I understand it, of part I of the Navigable Waters' Protection Act is to prevent our navigable rivers from being obstructed or impeded or rendered dangerous or difficult for ships by the construction of bridges or wharves or dams or other structures which have not been approved by the governor in council. This is necessary and important legislation. The amendment that is proposed is an amendment of subsection 2 of section 5 of the act, which I have just had an opportunity to look at for a minute, and provides that before any obstruction can be put in navigable waters permission has to be obtained of the governor in council. If permission is not obtained from the governor in council, if my recollection serves me correctly—I have not had the time to look carefully into this just now—there is provision that permission can subsequently be obtained; and if I understand it, the amendment which is proposed has to do with that permission. Am I right in that supposition? Is the amendment to provide for permission in the cases of works which have been put up without the consent of the governor in council?

Mr. FOURNIER (Hull): Yes.

Mr. HAZEN: May I ask, then, why the date has been changed; why this amendment is being made? Have certain works been constructed without the approval of the governor in council which this amendment is intended to cover and, if that is so, for what particular works is this amendment to provide?

Mr. FOURNIER (Hull): As the hon. member has mentioned, the amendment proposed in this bill is a change of the date mentioned in subsection 2 of section 5. The act itself came into effect in 1886, and it was

passed for reasons of security and defence purposes, to ensure that there were no obstacles or impediments in navigable waters so that in case of emergency or in case of war navigation would be free in those waters. The act has not been amended very often since 1886, but on a few occasions parliament has approved the change of the date in subsection 2 of section 5. It actually reads:

> The governor in council may approve of works constructed, or in process of construction, on the first day of June, one thousand nine hundred and eighteen, subject to the provisions of section seven hereof, and such approval shall have the same effect as approval of works to be constructed.

That refers to section 7 of part I of the Navigable Waters' Protection Act. I may state here that the first part of the act comes under the jurisdiction of the Department of Public Works; the two other sections of the act come under the jurisdiction of the Minister of Transport (Mr. Chevrier) and the Minister of Fisheries (Mr. Bridges). The first part relates to works that are "built or placed in, upon, over, under, through or across any navigable water unless the site thereof has been approved by the governor in council," or "unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council." On account of war conditions, this section has not been amended for a good many years. I cannot recall whether it was 1926 or 1928 when the last amendment was made. But I am informed that certain works since 1918 have been put up without approval of the sites or of the works being asked from the Department of Public Works, and it is thought that we should now change this date to June 1, 1938.

Personally I recall one instance, and I think this is the general case, where somebody, through ignorance, puts up some works without applying for approval of the site or the plans. Later on these works are transferred to other parties. These people request approval of the site and works, and the governor in council cannot give approval of these works because this subsection 2 of section 5 gives this definite date of June 1, 1918.

I have in mind certain hydro electric power developments on the North river in the province of Quebec. The development of these works took place about 1923 or 1924. They were carried out by a man named Wilson. Later on, the development was sold to another concern, the Montreal Power or something of that sort. This last company in 1928 sold its rights to the Gatineau Power company, which applied to the department, when a thorough study was made of the situation and it was found that we could not grant approval of these works. Generally, when the department has no knowledge of works that are going on we give notice, or if the works are put up and there are complaints, or if they are a danger to navigation, we are empowered by section 5 of the act to remove unauthorized works. We would not remove works that cost money when, by reason of some error or ignorance of the statute, approval had not been requested, but if there are complaints we take action.

The case I have mentioned—I cannot think of any others at the moment—would be met by this amendment if it carried. It would give authority to the governor in council to approve after we had received a description of the site as set out in section 7 of the act and a description of the works. That is the only object of the bill, to change the date from June 1, 1918 to June 1, 1938.

Mr. J. R. MacNICOL (Davenport): On reading this brief bill over I said to myself that it had important relations behind it. To my mind, the erection of works of any description over a navigable river should have the approval of the governor in council, which in this case means the Minister of Public Works, who of course would be advised by the engineers in his department. I gathered from what the minister said that there were certain works he had in view on some river, and I also have in mind certain works on rivers. I think we should insist upon the approval of the government before the commencement of the erection of works over navigable rivers.

I read a few days ago of a proposal to erect a bridge over the Slave river. I believe the position is south of the Northwest Territories and in the northern part of Alberta, and it would be in a part of the river where there is at the moment no navigation. There are rapids there; but at some future date it is possible there may be navigation if the rapids are canalized between Fort Fitzgerald and Fort Smith. The construction of any works on the Slave river at that point would have to have the approval of the government, would it not, and the government through the department would protect the interests of the public? That is fine.

The same would apply to the Saskatchewan river. I refer to the North Saskatchewan. I have been advised of a proposal to build a bridge over the North Saskatchewan river west of Battleford, quite a few miles, and before any such structure could be erected across that river the promoters would have to obtain the approval of the department. In that event I would feel satisfied that the public would be protected.

I have in mind works started some twenty-six miles down the river from Prince Albert. Is the minister familiar with the dam that goes half-way across the river, an uncompleted dam at what in that part of the country is called the Coal rapids? It has different names; sometimes it is known as Lacole. Before these works were started about 1913, would they not have had to receive the approval of the federal authority?

Mr. FOURNIER (Hull): In every instance approval is asked for. It would be better if we went into committee because I could answer questions then, seeing that I am not in order in doing so at this stage. However, if the hon. gentleman will look at section 7 of the act he will see that it is not mandatory. It is provided there that the local authority, company or person proposing to construct any work in navigable waters for which no sufficient sanction otherwise exists may deposit the plans thereof, and a description of the proposed site, with the Minister of Public Works, and a duplicate of each in the office of the registrar of deeds for the district, county or province in which the said work is proposed to be constructed, and may apply to the governor in council for approval thereof.

Mr. DEPUTY SPEAKER: May I suggest to hon. members that they refrain from asking questions at this stage of the proceedings. The motion is that the bill be read the second time, and when the house is in committee there will be ample opportunity for questions.

Mr. MacNICOL: I will not delay the house, and I may say that so far I have not wasted any time. I simply wish to learn from the minister that the public are thoroughly protected in the contruction of any works across navigable rivers. There will be many works on the Ottawa river shortly. Whether that river is regarded by the government as navigable, I do not know, but it is as far as Ottawa, and west of Ottawa it should be and perhaps will be. If the act covers such rivers as are navigable, like the Ottawa, I am satisfied with the protection afforded.

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

On section 1—Approval of works constructed.

Mr. FOURNIER (Hull): In answer to the hon. member, this act applies to all navigable waters except the St. Lawrence river.

Mr. MacNICOL: That is international.

Mr. FOURNIER (Hull): Section II of the act reads:

[Mr. MacNicol.]

No approval shall be given under this part of the site or plans of any bridge over the river St. Lawrence.

We have found that generally the public, persons or corporations, having works done on navigable rivers, apply for approval of the site and works, but without having definite information we believe that during the war works were put up on navigable waters in certain parts of the country without the necessary approval. I cannot give a single instance, but officials of the department are going into that phase of the matter. Certain works may have been put up on navigable waters in certain parts of the country during war time, for defence purposes, which have not received the approval mentioned in sections 5 and 7 of this act. If they were completed we would have no way to give approval to these works—

An hon. MEMBER: By changing the date?

Mr. FOURNIER (Hull): That would not apply. I am not correcting what I am stating, because the date we present here is June 1, 1938. I have gathered together what the officials of my department told me in trying to justify this amendment to the act when it was brought into the house. It is hoped that the department will be able to make a survey of works in every district and in every part of the country which have not received approval since 1918. If they are not an obstacle or an impediment, or if no complaint has been made against these works, and if they file plans and descriptions of the sites and the works we shall be ready to approve them.

Mr. GRAYDON: This strikes me as putting the cart before the horse. Before a survey is made, or before the officials have found anything wrong a survey is to be made. If the minister has found something wrong I think the committee should be given the benefit of of the information upon which this bill must be based; otherwise the minister is bringing in legislation before that information is gathered. After the legislation is brought in a survey is to be made to find out whether any of these things have happened. I should think it ought to be the other way round. If after the survey is made that situation is found to exist, then parliament would be in a position to pass legislation, if it is deemed advisable, to correct the situation.

Mr. FOURNIER (Hull): I do not know whether the hon. member was in the house when I first made my short statement.

Mr. GRAYDON: Yes, I was.

Mr. FOURNIER (Hull): One case was brought to my attention which I thought was

an important one. An application was made to the department by the Gatineau Power company under section 7 of this act. It was found in the file that these works had been made by a man by the name of Wilson at Wilson's chute on the North river in the province of Quebec. Later on, this development was sold to another company, and a little later was again sold to the Gatineau Power company. In looking up their files when they came in possession of these works the company found that no approval by the government had been given to the site, to the erection of these works. They made application, sent in their petition, filed the plans and descriptions of the site and works, but we could not give approval because these works had been made after June 1, 1918. This would be a case in point which this amendment would cover. I do not know of any other specific case of this importance that has come to my knowledge.

Mr. GRAYDON: I recall the minister citing that particular case. Judging by what the minister said a few moments ago, I thought this was only one of many cases. The minister does not seem to have any other case in mind, but we are now going to pass legislation to cover a widespread number of cases that may turn up once a survey is made. That is the point I am trying to make. I do not wish to be unduly technical about it, but it seems to me that we are putting some carts before some horses. I do not think we should do that if we can avoid it.

Mr. ROSS (St. Paul's): Under this bill no approval will be given to works that obstruct navigation.

Mr. FOURNIER (Hull): No; that is gone into before we do give approval. We have a series of regulations which they undertake to follow. These regulations have been established for many years, and we find that they generally conform to the regulations.

Mr. HERRIDGE: Is it necessary under this act for a lumber company to get permission to drive piles or build docks or booms in navigable waters? What is the procedure in determining if there are no protests from the public? There is something in the point made by the hon. member for Peel with regard to putting the cart before the horse. Here we may be legalizing and regularizing something that has already taken place.

Mr. FOURNIER (Hull): I would not say that the act applies to all works that are put up on navigable waters, because there are some exceptions in section 4, subsection 2, which reads as follows:

> The provisions of this section shall not apply to small wharves or groynes or other bank or beach protection works, or boathouses, if in the opinion of the Minister of Public Works
> (a) they do not interfere with navigation, and
> (b) do not cost more than one thousand dollars.

These are certain small works that would not be obstacles to navigation. But every company that does put up works on navigable waters makes application. There is a regular formula that is sent out to these people, a request, and they have the forms. They have the plans prepared. They file those plans with us and with the local registry. There is a public notice given in the *Canada Gazette* and in the local papers. After one month's delay, if no objection is taken to the application, the governor in council, on condition that the company or the person undertakes to follow the regulations, generally grants approval of this site and of the works.

Mr. HAZEN: Have any complaints been received that any works have interfered with navigation?

Mr. FOURNIER (Hull): Not to my knowledge.

Mr. HERRIDGE: It has been mentioned that works to the value of $1,000 or less that do not interfere with navigation do not come within the provisions of this act. A company could easily drive half a dozen piles and put a boom chain out in a navigable river which might not cost more than $100, but it might be a serious impediment to navigation. Does the minister say that in these circumstances the piles could be driven without the permission of the department?

Mr. FOURNIER (Hull): I believe in the case mentioned we would receive complaints immediately, and then we would certainly investigate and have these works removed under section 5 of the act. I cannot visualize a case where somebody would just put up works to interfere with navigation. That is not the way it is generally done. People do ask approval. Probably some do not know of the existence of this statute, and by error or even negligence put up works which do not interfere with navigation; and when we have no complaints we generally give approval.

Mr. LOCKHART: Where smaller or larger works have been constructed along the chain of great lakes, other than the St. Lawrence river, which have been in existence for some time, what is the extent of the responsibility of the federal government? What distance is taken in by the federal government as a responsibility in connection with any small work that may have been undertaken in the past? Could the minister give me any dir-

ection on that? There are many places along the chain of lakes where projects have been completed and in use for some time, and from what the minister says I gather that this amendment is proposed to bring such works within the scope of the act. But I am asking how far the responsibility of the federal government goes, say along the shore line, from the point where the work has been erected.

Mr. FOURNIER (Hull): I would not know exactly the extent of our jurisdiction, but any work which would interfere with navigation seems to be covered in this statute. We are governed by section 4 of the act, and I have given the exceptions to that section, which reads:

No work shall be built or placed in, upon, over, under, through or across any navigable water unless the site thereof has been approved by the governor in council, nor unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council.

That is the limit of our jurisdiction. Nearly every week applications come in from different parts of the country, even for small wharves along rivers and lakes. We may find instances where the person putting up such work did not really understand that the work required our approval if it amounted to over $1,000. Then he is advised that he should obtain approval. He makes application, and if this work was completed after June 1, 1918, we cannot grant that approval. The object of the amendment is to extend this date to 1938. This is in the interests of protection to navigation when any works are put up which may interfere. When this happens we generally hear about it. If the work does not interfere with navigation and there is no complaint, if no application is made we do not tear down the work.

Mr. LOCKHART: Perhaps I can be a little more explicit. Take a case where smaller docking facilities may be provided at some place along the chain of lakes, we will say. Over a period of years quite a number of boats may anchor in that vicinity because of the facilities provided by that small work which has been installed. There may be certain interference with navigation and there must be some responsibility where there is a small harbour or where these docking facilities are provided. Does the federal responsibility end at the edge of the dock, or does it extend some distance from the dock, and whose responsibility is it? Let me put it in this way. Who is responsible for maintenance along the shoreline of inland lakes and rivers where these works may be constructed? I should like to have that clear.

[Mr. Lockhart.]

Mr. FOURNIER (Hull): Any responsibility for damages, say, would not rest with the federal government but with the owner of the property. All we do under this act is approve such works in navigable waters. We have absolutely no other responsibility than to see that such works do not interfere with navigation.

Mr. LOCKHART: Well, if something had been permitted, even though it had never been approved, there would be a responsibility in connection with any interference or damage that might be caused.

Mr. FOURNIER (Hull): These plans are filed not only in the Department of Public Works but in the local registry of the county, and anyone using navigable waters generally has a plan of those waters and knows where such works have been erected. That is one reason we have this act, in order that everyone can refer to the approved plans of the sites of these works and know where these obstacles are. Then they certainly can avoid them while navigating the waters.

Mr. LOCKHART: Then in a general way whose responsibility is it to see that the shoreline along our chain of great lakes, say, is maintained? Is it a provincial or a federal responsibility? It comes under navigable waters, because they are all navigable.

Some hon. MEMBERS: Carried.

Mr. LOCKHART: Do not keep on with this "carried" stuff. I should like an answer to that, so that I may know exactly under whose jurisdiction these navigable waters come.

Mr. FOURNIER (Hull): If the hon. member is speaking of the shores of rivers and lakes, they do not come under federal jurisdiction at all. I have always been under the impression that they were under provincial jurisdiction. What we are dealing with here is navigable waters, and any works in navigable waters that may affect or interfere with navigation. We do not go farther than that

Mr. SMITH (Calgary West): Would the minister care to define "navigable waters"? Then we shall find out what we are talking about.

Mr. FOURNIER (Hull): I would have to refer to the judgments of the privy council in some very famous cases, and I would not care to do so from memory. If I had time I might even refer to the Gatineau case, which went to the privy council, to decide whether that was a navigable river, and the question was decided in the affirmative.

Mr. SMITH (Calgary West): Anything a child's boat will go down is a navigable water, is it not?

Mr. FOURNIER (Hull): Perhaps the hon. member had better give us his definition.

Mr. COCKERAM: Would the minister explain why he has this cut-off date of 1938? If this act is to be passed, why not bring it right up to date?

Mr. FOURNIER (Hull): That is a fair question. Probably this is an arbitrary date. Years ago, in 1926 or 1927, they fixed the date at 1918. Now they are moving it up, and I believe they have been doing that since 1886.

Mr. COCKERAM: Why not bring it right up to date now?

Mr. FOURIER (Hull): I would not want to take upon myself the responsibility of not following the advice of my officials, who think June 1, 1938, would be a proper date.

Mr. FRASER: A few moments ago the minister said his department would have plans, or they would be in the registry office, showing the works along these waters. But there might be unauthorized work done, without any plans being registered. This would cover that as well, would it?

Mr. FOURNIER (Hull): Before giving approval we would have to obtain plans of the works. I think it is for the benefit of everyone that we should change this date and try to have these plans for unauthorized works registered in the local registry as well as with our department, in order that people using these waters may know exactly the location of these works.

Mr. FRASER: When this bill passes would not such unauthorized works receive approval?

Mr. FOURNIER (Hull): Not unless an application is made.

Mr. FRASER: I see nothing here against those works passing.

Mr. FOURNIER (Hull): We do not give any blanket approval of works because we are changing the date in this amendment.

Mr. FRASER: But if it were done before 1938, they would—

Mr. FOURNIER (Hull): They would have the right to apply for approval.

Mr. COCKERAM: Why do we not bring this act up to date?

Mr. FOURNIER (Hull): There can be no objection to this more recent date.

Mr. COCKERAM: I have no objection to the date, but I should like to have it advanced, if it is possible to do so.

Mr. FOURNIER (Hull): Perhaps we shall do that next year.

Mr. HERRIDGE: Will the minister's department supply a list of the navigable rivers in Canada?

Mr. FOURNIER (Hull): That would be quite an undertaking, and I do not know if the expense would be justified. Would it be tabled in the house? I do not know what object there would be in tabling a list of that kind. Some of them in the northern part of the country have not yet been explored.

Section agreed to.

Bill reported, read the third time, and passed.

CRIMINAL CODE AMENDMENT

PROVISION FOR TWO RACE MEETS AT ONE TRACK

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of bill No. 15, to amend the criminal code (race meetings).

He said: Perhaps I should make an explanation of this bill before we go into committee. It was introduced in the senate, partly for the purpose of expediting the work of the session, and received its introduction as a result of representations made from the Department of Agriculture.

When the bill was introduced it was the intention to make two amendments, the most important of which is contained in section 2 of the bill. This amendment provides for having two race meets held, or the race meets of two different associations held on one track. Prior to the war an association held a race meet of seven days on its track. During the war we found it necessary to use some of these race track accommodations, and it was found advisable to have two meets held on one track. It has been found that there is no objection to that. As a matter of fact, many things can be said in favour of it, both by those who favour racing and by those who do not. It is proposed that what has been in the order in council throughout the war should now be placed in the legislation itself.

While that legislation was being prepared, it was proposed to eliminate, or to make it impossible for those who had had a charter under the old situation which existed prior to 1912, to operate. Charters were given under different conditions. A law was passed about that time compelling all those who wanted to have a charter for racing to have legislation

either federal or provincial. It was thought that we might eliminate from pari-mutuels all those who had been organized for the purpose of having trotting and pacing races. But it has been represented to me by hon. members from both sides of the house that only one organization is affected by it, that some hardship would be created so far as it is concerned, and that no particular good would be done by bringing about a change at this time.

Therefore, when we are in committee I intend to move an amendment to remove the words "other than an association empowered by its charter to conduct only trotting and pacing races or to maintain and operate a driving park." Those words having been asked to be eliminated, the section will be in exactly the same position as it was before, with the exception of three words in line 6 near the top of page 2, which are only to clarify the meaning. No change is brought about by them.

Therefore the important change is in section 2, which makes it possible for two associations to hold a race meet at one park.

Mr. FLEMING: In view of the amendment suggested by the Minister of Agriculture, it seems to me there can be no objection to the principle of the bill.

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

On section 1—Betting, pool-selling and bookmaking.

Mr. GARDINER: My colleague will move the amendment.

Mr. MACKENZIE moved:

That the words "other than an association empowered by its charter to conduct only trotting and pacing races or to maintain and operate a driving park" as they appear in lines 25, 26 and 27 be stricken out.

Mr. HAZEN: If section 1 is amended, will it permit the operation of pari-mutuels at harness races?

Mr. GARDINER: This will permit the operation of pari-mutuels at running races run on a track operated by an association organized before 1912 for the purpose of having trotting or pacing races. Pari-mutuels would be operated in connection with running races run on those tracks.

Mr. HAZEN: Does this amendment affect the operation of pari-mutuels in connection with harness races on tracks in Canada?

Mr. GARDINER: No, it does not affect them. If this amendment is made, it does not affect the operation of pari-mutuels on any tracks whatsoever. They operate in the same way as they do now.

Amendment agreed to.

Section as amended agreed to.

Sections 2 and 3 agreed to.

Bill reported, read the third time and passed.

FEEDING STUFFS ACT

BAGGING OR PACKAGING OF WHOLE GRAINS AT STANDARD CONTENT WEIGHTS

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of bill No. 64, to amend the Feeding Stuffs Act, 1937.

Mr. SENN: Would the minister explain?

Mr. GARDINER: The bill is for the purpose of providing some protection largely, I think, for dealers. It has been the custom in the past to sell feed in 98-pound bags, 96-pound bags and 100-pound bags, and difficulty has arisen largely in the province of Quebec because the practice has been to sell simply at so much per bag, without specifying whether it is a 96-pound, 98-pound or 100-pound bag. The amendment is to compel the weight to be put on all bags.

There is also a provision in regard to vitamins which I think we can best discuss when the bill is in committee.

Mr. BRYCE: Will the analysis of the feed content be put on the bag as well as the weight?

Mr. GARDINER: I think that is provided for under the general legislation. This bill has to do with the weight of the bag.

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

On section 1—Exemptions.

Mr. SENN: Does this apply to all kinds of feed stuffs?

Mr. GARDINER: The amendment substitutes a new section 3, and subsection 1 of the new section 3 provides that "subject to subsection 2 of this section" the act shall not apply to those mentioned in paragraphs (a), (b), (c), (d) and (e). Subsection 2 of the new section 3 provides:

Such hulled oats, hulled barley, cracked Indian corn and the whole seeds or grains of cultivated farm crops as are intended for consumption by live stock shall be deemed to be feeding stuff and subject to the regulatory powers provided by section fourteen of this act.

I have an amendment which I will ask my colleague to move to strike out the words "and subject to the regulatory powers provided by section fourteen of this act" and substitute therefor the words "for the purposes of section fourteen of this act," so that subsection 2 will then read:

Such hulled oats, hulled barley, cracked Indian corn and the whole seeds or grains of cultivated farm crops as are intended for consumption by live stock shall be deemed to be feed stuff for the purposes of section fourteen of this act.

Section 2 amends section 14 of the present act by adding immediately after paragraph (d) thereof the following paragraph:

(dd) prescribing and limiting the vitamin claims that may be made for any feeding stuff or any ingredients or constituents thereof.

Mr. SENN: Many farmers go to a mill grinding this class of goods, and they take their own bags and buy a ton of a certain kind of feed stuff. In a case of that kind does this section compel the weight to be put on the bag?

Mr. GARDINER: The exemptions are shown in subsection 1 of the new section 3, which says that this act shall not apply to:

(a) whole hays, straws, corn stover and silage when unmixed with any other material;
(b) hulled oats, hulled barley, cracked Indian corn and the whole seeds or grains of cultivated farm crops;
(c) feeding stuff prepared in accordance with a prescription provided and signed by the purchaser for consumption or processing by such purchaser;
(d) feeding stuff for export from Canada and so labelled;
(e) feeding stuffs sold by the individual grower thereof.

The act does not apply to them. I shall ask my colleague to move the amendment I mentioned a moment ago.

Mr. MACKENZIE: I move accordingly, Mr. Chairman.

Amendment agreed to.

Mr. BRYCE: Will the farmer who is making up this feed on his own farm have to comply with these regulations?

Mr. GARDINER: A farmer selling to another on the farm would not be affected by this.

Mr. BRYCE: That is the point I wanted made clear. It is only when the feed stuff goes into the commercial market?

Mr. GARDINER: That is it.

Section as amended agreed to.

On section 2—Regulations.

Mr. SENN: Is this just to protect the buyer with respect to the vitamin content?

Mr. GARDINER: Present vitamin regulations apply only to articles which are primarily vitamin A and D supplements, those vitamins supplied by cod liver or other feeding oils. There is a need and demand to regulate other vitamin products, and also to limit vitamin claims to those vitamins and potencies which feeding authorities recognize as necessary supplements to ordinary rations. There is a growing tendency to market multiple vitamin products under claims which are misleading to the average feeder, inasmuch as some of the vitamins claimed are adequately supplied without such supplements or the potencies are insufficient to serve the needed purposes. This is to safeguard the farmer who is purchasing against representations which are not in accordance with the facts.

Mr. REID: Is any test made of the cod liver oil and other oils that are put in feeds? I have in mind a case where one party lost one thousand turkeys. I know that the vitamin contents are stated on the sack, but there was nothing to prevent the dealer from using oil that was detrimental and that might affect the lives of poultry. Are precautions taken to protect the buyer in that respect? In addition to putting the vitamin contents on the bag, why not go a step farther and have the ingredients such as cod liver oil and other things that are put in poultry feeds tested before they are put in?

Mr. GARDINER: I know that we had test feeds in connection with the different organizations in the department. This particular section empowers the departrment to make regulations to do the very thing that is suggested, prescribing and limiting the vitamin claims that can be made for any feeding stuff or any ingredients or constituents thereof. I would assume, in order to enforce a regulation of that kind, there would have to be means of making tests if complaints were made.

Mr. SENN: I was going to raise the same point which was raised by the hon. member for New Westminster. It seems to me that this will be a most difficult thing to regulate. The time it will be done in most cases will be after the wrong type of feed has been given to poultry, and before any action is taken. Is any penalty attached to misleading information?

Mr. GARDINER: The penalties are in the act. I am not sure what they are, but penalties will apply to this section along with all other sections. There will be difficulty, of course, in enforcing a regulation of this kind, and it is just possible that in most

cases someone will lose turkeys or chickens before a complaint is made and an investigation held. But it will prevent any repetition after that.

Section agreed to.

Bill reported, read the third time and passed.

CANADIAN FORCES

REINSTATEMENT IN CIVIL EMPLOYMENT ACT, 1942—REGULATIONS GIVEN STATUTORY EFFECT

Hon. HUMPHREY MITCHELL (Minister of Labour) moved the second reading of bill No. 54, to amend the Reinstatement in Civil Employment Act, 1942.

Mr. GREEN: Is the minister going to explain the bill?

Mr. MITCHELL: I really do not think any explanation is needed apart from the explanation I made on the first reading of the bill. In 1942 an act was passed dealing with the reinstatement of men in the armed forces. I think the house will appreciate that at that time this was more or less a virgin field. In the last war there was no legislation of that description, and the act was drafted in the light of the limited experience we had at that time. I remember that I played some part in the drafting of that measure.

In the light of practical experience a number of orders in council were passed under the War Measures Act. That is, as difficulties arose and interpretations were necessary to broaden the act, they were embodied in orders in council passed under the War Measures Act; and all that this does is to give statutory authority to those regulations under the War Measures Act, because we shall need them, we expect, at the time when bill No. 15 expires.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, the Reinstatement in Civil Employment Act was passed, as the minister has said, in 1942. It was passed after careful consideration by a special committee of the house, and I think that in practice it has worked out very well. I agree with what the minister said on the first reading of the bill to the effect that employers had shown great willingness to comply with the spirit of the act and that generally speaking, the act had been very successful. The bill under consideration this evening is to amend that act and bring it up to date. Apparently in the years which have intervened since the act was passed it has been found that corrections were needed; and, as the explanatory note points out, these corrections, which were made by order in council are now to be incorporated in the act. On page 2 of the bill will be found these words in one of the orders in council:

> That it is therefore, by reason of the war, deemed necessary, for the security, defence, peace, order and welfare of Canada, to make regulations defining the rights of persons to reinstatement in civil employment pending reconsideration of the said act by parliament.

Those last few words are the ones I want to emphasize: "pending reconsideration of the said act by parliament." This is what was done: changes were made by order in council. They were called regulations, but in effect they were changes in the act; and now I suggest to the minister that these changes should be written right into the act—

Mr. MITCHELL: In effect that is what this does.

Mr. GREEN: —whereas this bill simply takes four orders in council and makes them schedules to the act.

Mr. MITCHELL: That is the same thing.

Mr. GREEN: It does not sort out the parts of the regulations which should be written into the act. It just takes the four orders in council holus-bolus, calls them the schedule to the act, and that is all there is to it.

This is the first time, to my knowledge, that legislation has been brought in to put orders in council into statutory form. I assume there will be other instances, both during this present session and in the sessions immediately ahead, and I think it is important that we get started in the right way. I suggest to the ministry that the practice should be to take out of the orders in council those portions which should be in the acts, and leave as regulations those parts which are really regulations. But that is not what is done here. It is particularly important that all legislation having to do with men who have served in the forces be clearly set out, so that there can be no misunderstanding of the rights of those men who have stood between us and our enemies, who have saved this country. If this bill passes in its present form their rights will not be clearly defined, because there is apt to be a conflict between the act and the regulations.

Take the soldier who reads the act. If this bill is passed in its present form, the man who goes to the act to see what his rights are, when he reads the act, will think it defines his rights. But in fact many of the most important rights which have been given to him are set out in the schedule. In other

words, they were in the orders in council, and now, in the way this bill is drawn, they will have to be dug up out of the schedule. I would ask the ministry to look at these orders in council and see some of the examples. For example, on page 2 we find that section 3 of the regulations in that particular order in council reads:

For the purposes of the act and these regulations,.....

Then it goes on to make certain definitions. Section 6 deals with what shall be done where an employer operates a business in several different establishments: it is an important provision; yet it will be in the schedule and not in the original act. In section 7 of the order in council, to be found at the foot of page 3 of the bill, we find provisions for making application for reinstatement. In the bottom line the following appears:

And, notwithstanding section 4 of the act, it is not a defence in proceedings for violation of section 3 of the act for the employer to prove facts described by paragraph (b) of section 4 of the act unless he also proves that the employee applied for reinstatement before he offered reinstatement to him.

That contradicts part of the original act and it should be written into the act.

Mr MITCHELL: Look at the last section of the order in council.

Mr. GREEN: I will read that. It is the worst feature of all.

Mr. MITCHELL: I think it is the best.

Mr. GREEN: Paragraph 8 of the order in council covers application to a reinstatement officer for assistance, and we find at the bottom of page 4 another provision which protects the veteran. It takes away one of the defences given to the employer under the original act. Section 10 should also be set out in the act. It provides:

Proof, for the purposes of paragraph (e) of section 4 of the act, that an applicant was employed to take the place of an employee who had been previously accepted for service in His Majesty's forces may only be made by proving that the applicant was employed directly or indirectly to take the place of the other employee and would not have been employed if the other employee had not left the employment.

Section 11 is an important one that should be in the act. It relates to rate of remuneration on reinstatement and also provides for permanent status and seniority of the employee. Section 12 of this order in council provides for vacations with pay, another important feature that should be in the act.

I will not cite other instances, but there are two or three more to be found in the order in council. The order in council concludes with paragraph 17:

Where there is any conflict between the provisions of the act and the provisions of these regulations, the regulations prevail.

All other legislation that I know of provides that the provisions of the act shall prevail over the regulations, but here we have a provision that the regulations shall prevail over the act. That was quite proper when the order in council was originally passed, because in effect it was passed as a statute under the War Measures Act. I am not quarrelling with its being there in an order in council under the War Measures Act, but I suggest that most of the provisions should really be part of the act and should be put into the act, leaving anything else as a schedule or more properly as regulations. Actually, this is careless draftsmanship on the part of somebody.

Mr. MITCHELL: Let me say to my hon. friend that the regulations were drafted by a gentleman like himself, a lawyer, not a layman. In any event, I thought that on the second reading we discussed the principle of the bill and not its details.

Mr. SMITH (Calgary West): Surely that is a principle.

Mr. GREEN: The second order in council, which is made part of the schedule to the bill, obviously contains provisions that should be written right into the definition section of the act itself. It is to extend the act to cover members of the naval, military or air forces of any of the united nations who were employed in Canada prior to September 9, 1939. The other two orders in council, made a part of the schedule, should also be incorporated in the definition section of the act.

I would not want the minister or the house to think I am quarrelling with the act respecting reinstatement in civil employment, or with the provisions that have been passed during the war to improve that act; but I am suggesting, in fairness to the veterans, in fairness to the men who are protected by this act, that the bill should be withdrawn and should be brought back in the form of an amendment to the original act. Not until then shall we have it in proper shape.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I am anxious to endorse what has been said by the hon. member for Vancouver South (Mr. Green), even if it only applies to neatness. We have many orders in council and we have been told—I was going to use the word "threatened", but I will not—shall I say it has been suggested by the minister that many things under his jurisdiction are to be brought in during this session by way of statute. I am quite sure most of us will

agree with that. However, I lay this down, and I invite any lawyer in this house to support the position where it is stated in an act which is making a regulation part of a statute that this regulation shall supersede the provisions of the act when the regulation is made a part of the act itself. Let any man in this house with legal training, any man who values his reputation, rise in his place and try to defend that sort of draftsmanship in legislation. I know perfectly well no one will do so.

What we are doing is this. We are passing a statute and saying that such and such is the law. I hear someone opposite saying something. I wish he would speak louder. He is a lawyer and I should like to hear what he is saying. I repeat, what we are doing is passing a statute which says A, B, C, D, and in the same statute we say, "No; it may be E, F, G, or H". That is what we are doing. The minister says he is a great draftsman.

Mr. MITCHELL: I did not say that.

Mr. SMITH (Calgary West): I beg your pardon.

Mr. MITCHELL: I am a humble person.

Mr. SMITH (Calgary West): Then permit me to compliment him on being a good draftsman thoroughly in discord with what his people have done in this particular job, because his legal training is sufficient for that. This may be a matter of urgency; I gather it is. Let those people whose business it is to draft laws put them in simple form. Heaven knows, we need them in that form. Let us therefore take just a little time out for the purpose. I think the whole house agrees with the principle and with what is sought to be done. We have here a short act and tremendous schedules, because they are tremendous, comparable with the size of the act itself, and the act means nothing; the schedules mean everything. Let us simplify our procedure, our reading and our difficulties and avoid trouble for us who are lawyers and who have to try to interpret these things that are done by non-legal persons.

Mr. GORDON GRAYDON (Peel): I rise to support what the hon. member for Vancouver South (Mr. Green) and the hon. member for Calgary West (Mr. Smith) have said with respect to the manner in which this bill has been brought in. I do not believe there would be any disagreement from any section of this house on the objects of the bill. As the hon. member for Vancouver South said a few moments ago, the urgency of the bill does not mean very much because it is in effect now, having regard to the legislation passed under the War Measures Act. However, that drives or should drive the minister into the position where this bill ought to be overhauled. It is not a question of amendment; it is a question of a complete overhaul of this bill. In my opinion this bill will create a dangerous, a clumsy and an ineffective precedent for this government and this parliament to follow. Particularly is that true at a time when we are passing from order in council legislation to ordinary parliamentary legislation.

I am perfectly serious with respect to this, because if we create this precedent now there is no reason why in the transitional period legislation may not follow the basis and the example that this legislation now sets. I am not referring particularly to the minister in this regard because he has completely exonerated himself from all possible results that may follow from this bill. This is nothing but a lazy man's legislation. As an hon. member said, from the point of view of neatness alone it should be changed, but I shall not put it on that basis. This is nothing short of simply making parliament just an ordinary bookbindery for putting together some orders in council and running them through. That is not good enough. We have to be something more than a bookbindery putting together orders in council.

We hear talk about a veterans' charter. This is nothing more than a scrapbook so far as veterans are concerned. It is making a laughing-stock of veterans' legislation. I do not think this is the kind of legislation that we should pass as the law by which the veterans of this country are to be governed, to say nothing of the employers who are to give them employment when they come back.

The schedules of ordinary legislation usually contain the aftermath of the legislation or some of the regulations and so on that go with it. But here we have the material parts of the bill not in the bill itself but in the schedule. From a reading of the bill it is obvious that it is unsound so far as procedure is concerned, because in three or four places in the bill one finds not only the numbers of the orders in council passed under the War Measures Act but also the name of the clerk of the privy council, if you please. His name is right in the legislation. If that is not an untidy piece of business, to say nothing of the operational parts of the bill, then I think the minister will have to revise his opinion as to what is good legislation.

Before second reading is given and before the bill becomes law which will serve as a precedent—and that is bothering me considerably, particularly at this psychological time, because it might be followed by this

government passing a piece of legislation after a piece of legislation where we shall be simply binding up orders in council that have been passed during the war; they will be presented to the house in undigested form and we shall be asked to fill the statute books by simply putting the rubber-stamp of parliament upon orders in council that have been passed under entirely different circumstances—I would ask the minister to consider these objections to the bill. The objects are good; the idea is an excellent one and will have no possible objection from any part of the house. But when there is such unanimity with respect to the objects and the principle of the bill, please do not let us render it ineffective or pass it in a form which is much less than what a good bill deserves. For that reason I ask that this clumsy bill be overhauled and something better put in its place, something that will give effect to what we want to give effect to, namely, the objects of the legislation.

Mr. D. G. ROSS (St. Paul's): I am not a lawyer, but I have listened to some of my legal friends to-night. What we need is a bill that the ordinary layman can understand. I have spoken on the floor of this house many times since 1942 in connection with veterans legislation which is to be found in chapter 31, 1942-43, of the statutes of Canada, and is entitled:

An act to provide for the reinstatement in civil employment of discharged members of His Majesty's forces and other designated classes of persons.

There is in this act a section which is most important and interesting. I shall read it. It is section 3, and reads as follows:

It shall be the duty of any employer by whom a person accepted for service in Mis Majesty's forces was employed when accepted for such service, to reinstate him in employment at the termination of his service in such occupation and position as would be consistent with the true intent and purposes of this act and under conditions not less favourable to him—

Remember that.

—than those which would have been applicable to him had he remained in the employment of that employer.

It is impossible to put that into effect because you do not know the individuality of the individual; you do not know what his capabilities are; you do not know how far he would have gone. He might have been general manager of the company if he had stayed there. I want to bring this to the attention of the house. The section continues:

Provided, that the right to reinstatement shall be subject to established rules of seniority in the employer's establishment, with retention of seniority rights during the employee's period of service with His Majesty's forces, or, in an absence of such rules, to preference according to dates of first employment in the employer's service with due consideration to continuity of employment in that service: And provided, further, that for determining the employee's rights to pension or other benefits, service in His Majesty's forces shall be deemed to have been service with the employer.

I am of the opinion that that paragraph of this act is almost impossible of accomplishment.

Mr. MACKENZIE: Is the hon. member objecting to that?

Mr. ROSS (St. Paul's): I am not objecting to it. I should like to see them all come back and get better positions than they would have had had they not gone into the forces. I am not a lawyer; but when I picked up the bill which is before us, this scrapbook, as the hon. member for Peel (Mr. Graydon) called it—that is all it is—I was amazed. There is nothing in it. What we need is a new act that will mean something.

Mr. MACKENZIE: It has worked very well.

Mr. ROSS (St. Paul's): It may have worked very well, but only because the employers themselves have made it work. It has not worked well because of any acts of the government.

Mr. MACKENZIE: Cheap stuff.

Mr. ROSS (St. Paul's): It has no teeth in it. On many occasions I have asked the Minister of Labour why he was not enforcing the act, and he could not tell me. He could not enforce the act; that is all there was to it; there were too many other reasons. As I say, I am not a lawyer, but I think this is the most ridiculous piece of legislation I ever saw, from a layman's point of view. For heaven's sake let us get a new bill.

Mr. CLARENCE GILLIS (Cape Breton South): I am afraid this is one time I have to agree with hon. gentlemen to my right. It does not happen often, but I suppose on the law of averages it must occur once in a while. Personally I think this bill is in the wrong place when it is brought up to be discussed in this house. It is important legislation, dealing with a subject matter which has caused considerable ill feeling within the past year. Many sections of the orders in council which are incorporated in the bill have been very difficult to interpret. A moment ago the hon. member for St. Paul's said that the employers made it work. In the section of the country from which I come the employers did not make it work; anything else but, particularly in connection with vacation with pay.

It seems to me this bill is so important that it should have gone to the veterans affairs committee. It is something pertaining absolutely to veterans; and if we are to have a veterans charter administered by one department and one minister, then I believe the subject matter of this bill belongs to the veterans affairs committee at this time, in order that it may be given an overhauling. There are many things wrong with it. I am not going to take time this evening to go into them all, but I would suggest to the minister that this legislation be passed along now to the veterans affairs committee. All during the war we bowed to the emergency and accepted legislation by order in council. Under the Emergency Powers Act the government still has the right to administer by order in council where there is an emergency. No emergency exists at the present time with regard to this legislation. The war is over; the soldiers are coming back. Many of them are having difficulty in getting back the jobs they left when they entered the services. Instead of the Minister of Labour continuing to try to handle this, with the many complex problems with which he has to deal in the field of employment, I believe he should be glad to pass it over to the veterans affairs committee.

I believe the time to legislate by order in council has passed. I agree with the hon. member for Vancouver South that simply incorporating all these orders in council into this bill and making the schedule the dominant factor in it is the wrong thing to do. I am going to point out just one or two difficulties in connection with the provision concerning vacation with pay; and mind you, these difficulties exist right across the country. For example, during the war thousands of soldiers were on industrial leave. They were taken out of the services for work in coal mines and on farms, and to meet other essential requirements. They may have spent a year or eighteen months in industry before going back to the army to be discharged. Then, when they came back to industry the time they spent in industrial life did not count in connection with vacations with pay. The employer said no, the man was in the service. The army said no, he was on leave without pay. So that there is a good deal of friction in that regard. Only a few days ago the mine, mill and smelter workers' union—

Mr. MITCHELL: You are speaking of industrial leave from the services?

Mr. GILLIS: Yes. In spite of the fact that a soldier on leave might have spent approximately eighteen months in a given industry he had to go back to the army to be discharged. Then, when he came back to the industry they told him he was not entitled to a vacation with pay because he had not worked for ninety days since his discharge, overlooking the fact that he had been there for the previous eighteen months. The order in council having to do with vacations with pay still contains that disability, and I should like to see it amended. Then the ninety-day period for vacations with pay is causing difficulty. I know the order in council states that if the employer so desires he may waive the ninety-day period and grant a vacation with pay; but the minister will remember that this subject nearly caused an upheaval in the mines of Nova Scotia, because the employers said they would not grant that vacation with pay if a man did not have the ninety days of service, unless they got a directive from the government. The Department of Labour refused to give a directive, because they said the power was there if the employers wanted to use it. That matter hung in the balance for months, and I believe it requires clarification.

The enforcement of the act with regard to reinstatement in civil employment is another thing that is not working out. The minister knows that when bill No. 5 was first introduced back in 1942, I think it was, the canteen committee worked on it. A provision was written into that bill to the effect that if the employer refused to reinstate a man in the job he held prior to enlistment, without reasonable grounds, it was the prerogative of the department administering that act to see that it was enforced by prosecuting the employer. I have run into cases where the employer did not have reasonable ground and still refused to reinstate his former employee, and I did not have any success in persuading the departmental officials in the centre where I was at that time to take the employer into court and prosecute him. I know boys who went around for months and could not get back into their previous employment. I want to see these difficulties ironed out by the veterans affairs committee. There is no hurry about this matter, and I am suggesting to the minister that this bill should go to that committee, where it can be fixed up.

Mr. D. A. CROLL (Spadina): Mr. Speaker, it has been very difficult to sit here and disagree with the hon. member for Calgary West, the hon. member for Peel and the hon. member for Vancouver South. The thing that most commends itself to me in this bill is the marginal notes, and it does not make any difference whether or not they are there.

I must say to the minister that the draftsmanship is slack and a bit inferior. I believe we deserve just a little better than this. We dealt with this bill in the veterans affairs committee last year.

Mr. MITCHELL: Oh, no, you did not.

Mr. CROLL: Yes; we had the officials before us and questioned them on this very bill, and we became quite well versed in it. I think the minister will regret it if the house passes this measure in its present form. It will reflect upon his department. Certainly it is not the kind of legislation dealing with veterans that would come in here from the veterans affairs committee. I think it is unfair to put the minister in this position, even though someone in his department has done so. If the bill is either withdrawn or sent to the veterans affairs committee I believe we shall be doing the department a service. The bill contains a great number of things which have to be cleared up. The legislation has worked very well in some parts of the country, and for that reason the department is a little backward about making changes. They say, "This has worked. Let us see if it will continue to work." I believe the time has come to take another look at it and improve it. I am particularly perturbed about section 17, which seems to appeal to the department. I never saw it before in any act I have ever seen, and I cannot quite understand what it could possibly mean in that particular form. So I am asking the minister if he will reconsider and allow the matter either to stand or to be sent to the veterans affairs committee, where we will deal with it in a kindly way.

Mr. A. M. NICHOLSON (Mackenzie): Now that the hon. member for Spadina has spoken, I think that makes it almost unanimous that we should not be asked to proceed with this type of legislation this evening. I do not believe it is correct to say that this particular bill was discussed by the committee on veterans affairs last year, but I think the suggestion of the hon. member for Cape Breton South has a good deal of merit, and it seems to me the arguments presented by the Progressive Conservative members have been convincing. I do not think hon. members should be asked to pass this kind of legislation. One of the orders in council was dated January 11, 1945; the next one August 2, 1945; another, November 6, 1945, and the last, April 9, 1946. Surely the minister should not proceed with this type of legislation. If he would agree to refer it to the veterans affairs committee for redrafting, he would be supporting the general objective of the legislation.

Mr. DONALD M. FLEMING (Eglinton): I do not intend to cover any of the points which have been covered so effectively thus far, but I should like to state briefly one or two things which have occurred to me.

So far as the form of the legislation is concerned, if parliament gives second reading to the bill in its present form we shall be making ourselves look foolish, not only in the eyes of the people of this country, but in the eyes of other legislatures as well. With the idea that there should be submitted to parliament certain regulations and orders passed under war-time authority, or under the authority of the National Emergency Transitional Powers Act, I think we are all in agreement. In other words, I believe we agree that what has the force of legislation passed under that authority should now be submitted to parliament.

But that is a very different thing from submitting these orders in council to the house, regardless of whether they are in harmony with or in contradiction of the existing statutes, and saying, "You have to take them, holus-bolus." I suggest that in its present form this bill offends every canon of legislation.

Here are the four simple rules which any bill coming before this house should clearly observe. In the first place, a bill should be a unity. In the second place, it ought to be clear in meaning. In the third place, it should be logical in construction. In the fourth place, it should not be contradictory. This bill offends each of these four canons of legislation.

In the first place, it is not a unity. What do we find in the bill? We find that we are to take what really represents five different bills. We have the original enactment of 1942, followed by the long, general regulations, of which there are seventeen in all. Attention has already been drawn to section 17, which states, in effect, that if the regulations and statute are in conflict, so much the worse for the statute.

Following that, we have three other orders in council. I should like the house to take just a minute to observe what these various steps are, in sequence. I have referred, first, to the general order in council consisting of seventeen sections. It will be noted that section 17 in the first group of regulations is not repeated in those which follow. Therefore, in giving effect now, as proposed, to section

17, we are not saying that the three following orders in council, if adopted, override the statute. No, we do not say that. It is only this first one.

Then we come to the next order in council of August 2, 1945, and we find there an amendment of the original act. This is an amendment to the definition section, section 2.

Then we turn to the third order in council of November 6, and find an amendment to the regulations.

Turning to the fourth order in council, we find that it is an amendment to some of the regulations set up in the third order in council. What does it mean? We say in the bill that all of these become law, and that all shall have the effect of a statute, from this time forward. We are legislating a contradiction. We are legislating with respect to this third order in council, and we are saying, "We will give this the force of a statute." Then we come along to the fourth order in council, and say, in the same breath, and under the same enactment, that part of the third order in council has not the force of law because it has been overridden by the fourth.

Is parliament going to put itself in a position of legislating a hodge-podge like that, contradictory within its own terms, anything but clear, illogical and anything but a unity. I suggest that parliament will look foolish if it proceeds to enact legislation in that form. If there ever was a bill which ought to be so clear that he who runs may read, then it should be legislation dealing with the rights of veterans, because the veterans are looking to this measure for their charter rights. Those rights ought to be perfectly clear for any layman to read. This is not the kind of legislation that a citizen should need to take to a lawyer for interpretation; it should be abundantly clear. But we are just going to legislate in a hodge-podge fashion if we pass this.

We have heard a useful suggestion, one which has now been endorsed by several hon. members, namely, that the bill should go to the committee on veterans affairs, and should there be rewritten. All these contradictions and any repetition should be eliminated, so that when the bill comes back, with such improvement as may be worked out in the veterans affairs committee, we shall have a piece of legislation which will be sound, complete and comprehensive, and will be free of the accusations now properly made against it, that it is not clear, that it is illogical, that it is full of contradictions.

I do not offer that in any sense in a scolding spirit. Rather, I urge upon the minister in charge of the bill that in this matter affecting the rights of veterans to reinstatement in civil employment we want to have a clear and comprehensive statute, and we should not pass this legislation in its present deplorable form.

Mr. MITCHELL: Mr. Speaker, if I may close the debate—

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

Mr. MITCHELL: We get the same general suggestion from every speaker.

Mr. BROOKS: If the minister is going to withdraw his bill—

Mr. MITCHELL: I just wish to say this, that I am going to close the debate, withdraw the bill and send it to the veterans affairs committee.

Mr. BROOKS: Then, may I say a word, so far as that committee is concerned.

Mr. DEPUTY SPEAKER: Yes.

Mr. A. J. BROOKS (Royal): Mr. Speaker, matters which have come before the veterans affairs committee have been those of principle. It was not my understanding that it had been set up to draft bills.

I think all hon. members are agreed that the principle of this bill is good. The only objection has been as to the draftsmanship. Knowing something about the work still to be done in the veterans affairs committee. I for one feel it should not be asked to redraft this bill. If the house were objecting to the principle of the bill, or if other principles could be set out therein, there might be some justification for sending it to that committee for study. But where it is only a matter of redrafting, where it has already been hashed over, if I may use that expression, I think it is a mistake to ask the already overburdened veterans affairs committee to redraft the bill.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, reports have come to me of instances where the Reinstatement in Civil Employment Act has not worked. I am glad the Minister of Labour has recognized the necessity for introducing legislation at this session to bring about the intent of that act. That intent was expressed in these words:

> It shall be the duty of any employer by whom a person accepted for service in His Majesty's forces was employed when accepted for such service, to reinstate him in employment at the termination of his service in such occupation and position as would be consistent with the true intent and purposes of this act and under conditions not less favourable to him than those which would have been applicable to him had he remained in the employment of that employer.

Let me refer the minister to an actual case in the Canadian National Railways shops at Saskatoon. Men who were employed as workers in the shops had made application as early as 1940 to be taken on as firemen. Before being taken on, they enlisted. Now they have come back and they find that workers who did not enlist have gone out as firemen. The men coming back find their seniority almost completely wiped out, and they cannot get seniority except in the old departments in which they were working. It is a technical point and I hope that an amendment will be brought in to cover it. I am not sure that the veterans affairs committee is the place to redraft the bill, but if a bill is prepared that will carry out the original intention I am sure that it will get support in committee.

Hon. HUMPHREY MITCHELL (Minister of Labour): A simple layman has been given a going over this evening by the legal profession for bringing before parliament a bill drafted by the legal profession.

Mr. GREEN: We hope it has done you good.

Mr. MITCHELL: It may have too, but nobody knows better than my hon. friends that once you have laid down the basic principles of a law and given it to the legal officers to draft a bill, you have to get a lawyer to interpret it because it is beyond the power of the average layman to do so. But the proof of the pudding is in the eating, and these orders in council have worked successfully, speaking in a broad way. There may be objections to details as the hon. member for Cape Breton South (Mr. Gillis) and the hon. member for Yorkton (Mr. Castleden) have pointed out, which might well be the subject of debate. But the fact is that there has been only one prosecution under this legislation and over 95,000 veterans have been reinstated. So that on the law of averages I do not think that is bad batting.

Mr. GREEN: The special committee drafted the original bill.

Mr. MITCHELL: Yes; it went before the committee. This has been referred to as lazy man's legislation. I do not altogether agree with that. But I am quite prepared to withdraw the motion for second reading and have the bill sent to the committee. It has been referred to also as a scrap book, and is said to be difficult to interpret, and so on. We have a staff of 300 across this country who advise the returned men of their rights under these orders in council and under the original legislation. The soldier organizations also understand these orders in council, and in addition we have advisers in the selective service offices across this country. But there is no objection, I am sure hon. members, to putting the legislation on a basis where it will be clearly understood by the people whom it is designed to benefit.

Something has been said about seniority. Probably no one knows better than the hon. member for Cape Breton South how difficult a thing that is to deal with. The average worker puts seniority in a trade union agreement ahead of wages itself. In dealing with the men who work on the railways, there has been consultation with railroad unions, also with employers and the men affected, who are represented by one of our officials. Where there has been a trade union organization and collective bargaining between the employee and the employer the application of the orders in council and the act itself have been more satisfactory than where there is no such organization. My hon. friend knows that when you are dealing with an employer who gives no seniority rights to his employees it is more difficult to get the justice we think is due to the men.

In conclusion, Mr. Speaker, if the committee consider that this bill should be consolidated and brought before the committee I am quite prepared to agree to that.

Hon. IAN A. MACKENZIE (Leader of the House): I think, Mr. Speaker, the proper motion would be, and I move accordingly:

That the bill be not now read a second time but that the subject matter thereof be referred to the select committee on veterans affairs with instructions that they shall consider the same and report thereon to the house.

Motion agreed to.

EXPORT ACT AMENDMENT

REPEAL OF SECTIONS 5 AND 6—EXPORT OF WILDFOWL

Hon. J. A. GLEN (Minister of Mines and Resources) moved the second reading of bill No. 14, to amend the Export Act.

He said: The purpose of this bill, Mr. Speaker, is to eliminate certain overlapping with the Game Export Act and to assist the administration of provincial game regulations. Sections 5 and 6 of the Export Act, which this bill seeks to repeal, prohibit:

The export in the carcass, or parts thereof, of (a) deer, except as authorized by regulation of the governor in council made under the authority of the Customs Act; and (b) wild turkeys, quail, partridge, prairie fowl and woodcock.

It is contrary to law in the United States to import game which is illegally exported from Canada, and the United States and state authorities enforce this law.

Under the Export Game Act a visiting sportsman may come into Canada and shoot woodcock, wild turkey, or prairie fowl under

a permit issued by the province, but on returning to his home in the United States he will find that he cannot import into that country the game which he legally shot in Canada. We had a case which illustrates the point very clearly. The chief game warden of New Brunswick was endeavouring last year to make arrangements with United States authorities so that United States sportsmen who lawfully killed woodcock in New Brunswick might take their birds home with them. We were obliged to point out to him, when he referred the matter to us, that sections 5 and 6 of the Export Act prohibit all export of woodcock from Canada. In consequence, these tourists who came in for the particular purpose of shooting this kind of game in Canada found that the game which they had legally shot they were prohibited from taking home with them. Provincial authorities have found themselves in a similar position in that game legally shot in one province could not be taken into another province, but they now have provincial acts whereby under permit a person may legally shoot game and legally take it out of the province to his home.

The whole purpose of this bill is to eliminate sections 5 and 6 of the Export Act. The whole matter has been before the dominion wildlife officials, who have pointed out the difficulty, and they say that the Export Game Act now covers all that is required and that sections 5 anl 6 of the Export Act are therefore redundant and operate as a hardship against visiting tourists and sportsmen who may wish to take the game they shoot out of the country.

Mr. A. L. SMITH (Calgary West): I wish to say just a word to express my full approval of what is here being done. I would like the minister to tell me, though, where any wild turkeys are to be found in the Dominion of Canada. It may be that what is so referred to is the sandhill crane. Wild turkeys on this continent are not found north of the Mason and Dixon line. So that is another reason why we should eliminate this "export" of "wild turkeys" from Canada.

What I have in mind, and what the minister has said in this connection is so true, is that in certain parts of western Canada we have enjoyed the visits of United States sportsmen, particularly in our pheasant areas, areas largely confined to irrigation districts until a few years ago. The increase in number of these birds, brought in by a few private people, of whom fortunately I was one, reads like a romance of wild life; and I am happy to know that this stupid provision will not now hinder our friends from coming and taking home with them their game. We used to be able to do so if we plucked them. I do not know whether some disease was the occasion for that provision, but it all seemed to be stupid.

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

On section 1—Repeal.

Mr. BROOKS: I notice that it says in the Export Act:

5. The export in the carcass, or parts thereof, of (a) deer.

It does not mention moose or cariboo or any other wild animals. In the interpretation of "deer", are moose and caribou included?

Mr. GLEN: In the interpretation section of the Game Export Act:

(b) "game" means the carcass or any part of the carcass, including the skin, of any wild animal, domestically raised fur-bearing animal, wild fowl or wild bird.

Mr. MacNICOL: Why would it not be put in the bill? The same would apply to a bear.

Mr. GLEN: I am not speaking now of the Game Export Act, which is now the law. We are dealing with the Export Act, not the Game Export Act. We are eliminating from the Export Act provisions which are redundant and which conflict with the Game Export Act.

Mr. MacNICOL: I quite agree, but does the act prohibit the exportation of bear or moose?

Mr. GLEN: Except under licence by the provincial authorities. Section 3 of the Game Export Act provides:

3. No person shall knowingly,

(a) take, carry, send, ship, or have in possession for the purpose of taking, carrying, sending or shipping or receive for shipment or transmission beyond the limits of the province within which such game was killed any game except under the authority of an export permit duly issued under the laws of such province;

(b) except as in this act otherwise provided, have in possession, within Canada beyond the limits of the province within which such game was killed, any game not the subject of an export permit issued as aforesaid.

Mr. BROOKS: Should that not be repealed too?

Mr. GLEN: We have not considered that. The migratory birds officials, thought these actions should be eliminated, and we are dealing with it only as far as the Export Act is concerned, not the Game Export Act. That can be a matter of discussion later.

Mr. SMITH (Calgary West): There are no migratory birds in here at all. We had a prohibition against the export of certain migratory birds and animals, and we are merely getting rid of that.

Mr. GLEN: Yes.

Mr. SMITH (Calgary West): Those not mentioned there we really are not concerned with?

Mr. GLEN: We are not concerned with them.

Mr. SMITH (Calgary West): The prairie fowl,—whatever they are: I have never heard of them.

Mr. CASTLEDEN: Has the minister any idea what quantity it is anticipated would be taken across the border? Also, will he tell us if this measure is reciprocal; is there a similar act in the United States legislation which allows game shot in the United States to be brought back to Canada?

Mr. GLEN: I have no knowledge of any such act as far as the United States is concerned. We are now regulated by the Game Export Act, which is the law in Canada, passed in 1941, which gives provincial authorities the power to issue permits for the killing of game and the taking of game into the different provinces.

Section agreed to.

Bill reported, read the third time and passed.

QUARTZ MINING

CLAIM STAKING PRIVILEGES—GROUPING OF CLAIMS —NON-FORFEITURE OF CLAIMS OF SERVICE PERSONNEL

Hon. J. A. GLEN (Minister of Mines and Resources) moved the second reading of bill No. 61, to amend the Yukon Quartz Mining Act.

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

On section 1—Persons who may enter and locate and lands subject to entry and location.

Mr. NICHOLSON: Will the minister make a statement on this section?

Mr. GLEN: This bill has been submitted at the request of those who have been dealing with mining in the Yukon. It has been the subject of a good deal of discussion, and I am glad to say that I have had the privilege of having the hon. member for Yukon deal with this matter, because he knows more about these matters than, probably any other person in the house. He has made representations to me coming from the miners of Yukon and from those who are interested in mining, that it is necessary that this should be done in order to protect as far as possible the rights of miners who are now going in.

In consequence of the activities which are now taking place in Yukon and elsewhere, it was felt that the provisions of this bill would render to those miners who are going in prospecting and endeavouring to locate claims a protection of their operations. The idea of the bill is this. Formerly under this act one could only have the right to have mineral claims to a certain number. These may now be increased in number and the owners of these properties will have the right to consolidate their claims. For instance, subsection 2 and 3 provide:

(2) Subject to section forty-five of this act during any period of twelve months no person shall be entitled to locate, whether personally, as attorney for another or by an attorney, more than seven mineral claims in the aggregate within a distance of ten miles from any other mineral claim (making a total of eight mineral claims) located by him personally, as attorney or by attorney, during that period.

(3) Every power of attorney authorizing a person to enter, locate, prospect or mine pursuant to subsection one of this section shall be filed with the mining recorder before the entering, locating, prospecting or mining is undertaken.

The idea is that where formerly a man made a claim he could stake only three claims within twenty days. In the meantime, when he had located the claims and had induced other prospectors to come in there, they might file adjoining claims, with the consequence that he might be deprived of all the effort and expense to which he had been put in making the original discovery. The bill gives him the right to have eight claims registered in his own name, by himself or by attorney. The matter has been carefully considered, and the hon. member for Yukon (Mr. Black) has been extremely helpful in conveying the wishes of the people in the north with regard to the staking of claims. I am satisfied that this is a proper provision to be made for the benefit of all parties concerned.

Mr. BLACK (Yukon): I may add a word or two to what the minister has said. The Yukon Quartz Mining Act is the legislation under which lode or hard-rock mining is done in Yukon. The act was first passed as it is now, with one slight amendment, as chapter 74 of the acts of parliament of 1924. I was member for Yukon at that time, and after consulting with the miners of Yukon I drafted an act, submitted it to the then Minister of the Interior, the Hon. Charles Stewart, in whose department Yukon was administered, who in turn submitted it to his law officers. The act was drawn, submitted to the house and then to a special committee, was finally adopted, and has been the law in Yukon since 1924. It has proved very satisfactory; but as mining is developed up there, changing to some extent from mining of placer gold to lode gold mining, it has been found that certain amendments are required and they have been clearly explained by the minister.

The main object of the bill is to allow the prospector or miner to stake a group of eight claims. As the law now stands, he can stake only one in his own name and two under powers of attorney, and these powers of attorney must be accompanied by sworn evidence that the persons giving the powers of attorney have made it possible for that miner to go on that trip. Had it not been that the mining recorders and officials of Yukon had interpreted that clause generously, few claims would have been staked under it. This will eliminate any difficulties in that respect, inasmuch as it will allow a man to stake a group of claims sufficiently large to attract capital to its development. The other sections are equally important and will be dealt with section by section, I expect, in the committee. On some of these I may have something to say.

Section agreed to.

Sections 2 to 7 inclusive agreed to.

Bill reported, read the third time and passed.

PLACER MINING

NON-FORFEITURE OF CLAIMS OF SERVICE PERSONNEL—SMUGGLING

Hon. J. A. GLEN (Minister of Mines and Resources) moved the second reading of bill No. 62, to amend the Yukon Placer Mining Act.

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

On section 1—Non-forfeiture of claims of service personnel.

Mr. GLEN: This section is added, as the explanatory note indicates, for the purpose of protecting the rights of soldiers who had claims and to ensure that such claims would not be forfeited by reason of time spent in the service or for one year thereafter.

Section agreed to.

On section 2—Export of gold without payment of royalty.

Mr. GLEN: This provision is inserted really at the request of the Royal Canadian Mounted Police. They have found that transportation being so easily available, there being so many routes by which a person may leave the territory and go outside, there is a consequent smuggling of gold. They wish, therefore, to have these provisions in order that they may more effectively control the situation and, where necessary, prosecute those who are smuggling gold out of the country without paying royalties. Apparently there have been several cases which the mounted police have investigated and, as I say, they desire these provisions the more effectively to control the situation.

Mr. CASTLEDEN: Is the minister satisfied that $250 is an adequate fine?

Mr. GLEN: We thought it would be sufficient.

Mr. CASTLEDEN: It does not have to be a placer miner?

Mr. GLEN: No.

Mr. CASTLEDEN: He might be smuggling gold for half a dozen placer miners. It seems to me that $250 is small and that there should be an option to impose a heavier fine if the judge sees fit.

Mr. HARKNESS: Subsection 4 provides that where any peace officer has reason to suspect that any person has committed or is about to commit an offence described in section 83 he may without warrant search him or any of his belongings. Surely that is giving a large amount of power to a police officer. If he suspects that a man is about to commit an offence he can search him or his belongings without a search warrant. Is there any strong justification for retaining that section, particularly this part of it which states that he is about to commit an offence?

Mr. GLEN: One must take into consideration the place where these offences are likely to be committed. A good deal would depend on the observation of an officer who sees something which he knows is contrary to the usual practice. If he does not have that power in order to make the search, then I am afraid that he would lose the opportunity quickly if he did not act immediately and expeditiously in doing it. I do not think there is anything unusual in such a section. The Royal Canadian Mounted Police are anxious that it should go in.

Mr. SMITH (Calgary West): I agree with the hon. member for Calgary East. I do not think this parliament should ever pass sections like subsection 4 except in narcotic cases. It seems to me that we have to permit such high-handed procedure by police officers in such matters. My suggestion to the minister is that he should eliminate section 4. He should increase his penalties in subsection 1. In other words, let us have a strong deterrent, but let us not extend the position which existed in legislation during war time. Of necessity that kind of legislation exists in war time. But let us not permit a mounted policeman or any other peace officer the right to go—without penalty against him—and search people's belongings, clothing and houses. The penalty provided in subsection 1 is a term not exceed-

ing three months' imprisonment and fine of $250. My thought is that if you made that a fine of $1,000 minimum and a period in gaol of three years, and in default—that is optional with the court—of payment of the fine imprisonment for at least two years you will accomplish everything you are seeking to accomplish here; in fact you will accomplish it much better than you will in this way.

In his explanatory notes the minister has said that these things are necessary because there are now more ways of leaving Yukon than there were in the old days. I appreciate that; but we shall never have enough mounted policemen in Yukon, having regard to the different and new methods of travel, to search everybody who comes out. What happens? I gather that this is high-grading. An organization which is mining finds that it is short of some raw gold. They can fairly well confine that, having regard to the circumstances, and they usually give the police a lead. Warrants are now to be found in Yukon much more easily than in the old days. There are more places where you can find them than you could heretofore. My serious suggestion to the minister is that he should increase his penalties. I do not think they are nearly large enough, having regard to the conditions under which mines operate in that country. He should increase the penalties to the point of severity, but he should eliminate adding one more place where a peace officer, even though he be a mounted policeman, can search a person, his boat, his motor car, his aeroplane, his home or even his clothing, and even his friends; I imagine they are covered. The peace officer may even take that kind of action without a warrant.

A warrant can be obtained only on the ground that some person pledges his oath that he has reason to believe that an offence has been or is going to be committed. If the magistrate so wishes he may put that person on oath and ask him the grounds for his belief. That is normal, ordinary procedure. With great respect I am going to suggest to the minister that he reconsider this section.

Mr. BLACK (Yukon): I quite agree with the hon. member for Calgary West, and with all due respect to the minister, that the penalties provided by section 83A should be increased. As I see it, a fine not exceeding $250 or imprisonment for a term not exceeding three months or a sentence to both such fine and such imprisonment is altogether too light to create any fear in wrongdoers, thieves or high-graders.

I must say that I do not agree with the hon. member for Calgary West or with others who object to subsection 4 because, having lived all my life in Yukon and having seen the Royal Canadian Mounted Police up there, I know that no innocent person will be inconvenienced by them, and the baggage of no one will be searched unless the police have good reason to suspect that it has high-grade gold or stolen material in it. So far as I am concerned I should like to see the subsection stand as it is drafted, but I would suggest to the minister that the penalty for high-grading or theft of gold or export of gold without a proper permit should be increased.

Mr. HAZEN: I cannot sit in this committee and allow this section to pass without taking objection to it. It is a principle of our law that every person who is accused of an offence is presumed innocent until proved guilty. Under this section a person does not have to be accused of an offence before the mounted police can, if they suspect that he is about to commit an offence, proceed against him.

Mr. BLACK (Yukon): No; they may search him.

Mr. HAZEN: Yes, proceed against him and search him. The section reads:

> Where any peace officer has reason to suspect that any person has committed or is about to commit an offence . . .

A peace officer is no wiser than any other person. How he can form a judgment as to whether or not a person is about to commit an offence, or suspects that a person is about to commit an offence, is more than I can understand. Legislation of this kind should not be passed by this committee.

The minister said that we must take into consideration the place where the offence is committed. Well, this place is Yukon territory. In Yukon territory there are places like Dawson city, which is a town of some size, where there are police officers and where I suppose there is a form of municipal government. Why should the police of Dawson city be permitted, because they suspect a person is about to commit an offence, to take any action against that person under the principles of the law under which we live in this country? As I say, I cannot let this section pass without protesting against it. It should be eliminated from the bill.

Mr. COCKERAM: How does this section compare with similar sections in provincial acts?

Mr. GLEN: In this matter we are dealing not with the question of high-grading but with the question of royalties which should be paid. As I said before, conditions are such that any person leaving would be doing so with such expedition that the officer would be unable to obtain a warrant in time to

seize the gold and exact the royalty due upon it. I agree with the hon. member for Yukon that subsection 4 should be retained. I have no doubt that any officer dealing with these matters, having some idea and knowledge of what was happening, would have direct evidence in his own mind that such a thing was being done; and if he did not take action immediately he would not be able to catch the person he suspected. As far as the penalty is concerned there seems to be a disposition to regard it as too lenient. The hon. member for Calgary West suggests a rather extreme penalty of $1,000 and a term not exceeding three years, or to both such fine and imprisonment. I would be willing to have an amendment moved to that effect, provided that upon summary conviction a person would be liable to a fine of not more than $1,000, or to imprisonment for a term not exceeding three years, or to both such fine and imprisonment, if my colleague would move it.

Mr. MACKENZIE: I move accordingly.

The ACTING CHAIRMAN (Mr. Golding): Will that amendment be to paragraph (f) of section 1?

Mr. GLEN: That is in section 2 of the bill, subsection 1; the words "two hundred and fifty" in line 22 to be deleted and the words "one thousand" substituted therefor; and in lines 24 and 25 the words "three months" to be deleted and the words "three years" to be substituted therefor.

The ACTING CHAIRMAN (Mr. Golding): The committee has heard the amendment read by the minister. Shall section 2 carry as amended?

Mr. HAZEN: No. I should like to ask the minister this question. Is the export of gold without paying a royalty a tremendously serious offence? Is it any more serious than many of the offences which are now dealt with in our criminal code and for which the penalty is very much less? How do this offence and this penalty compare with many of the provisions in the criminal code having to do with the same matters?

Mr. BLACK (Yukon): With all due respect to the hon. member for St. John-Albert, I think the criminal code would be improved by making those penalties much more stringent than they are now. They are too light. They do not create any fear on the part of criminals. Even with the proposed amendment, increasing the maximum fine to $1,000, a convicting magistrate or judge may make the fine not more than $10 if he wishes, depending upon the circumstances of the case. Because we say "not to exceed one thousand dollars," that does not mean in every case the person convicted will be fined that amount, or that he will be imprisoned for three years. He may get only three months, within the judgment of the convicting magistrate or judge.

As to its being a crime to take gold out of Yukon without paying the royalty, in old times when gold was exported almost entirely in its natural state, that is in the form of gold dust or nuggets, it was very easy to steal gold. At that time the mounted police had not only male searchers but female searchers to search women passengers. Before a person was allowed to leave Yukon he or she was searched for gold, if they had any reason to suspect that he or she would be taking out that gold. Even within the past two years gold was stolen in its natural state from one of the big dredging machines up there. They noticed that a theft had been committed, and also that a couple of members of the crew had quit within a short time. So the police met these men at the airport when they were about to board a plane and made them open up their grips; and there was the gold dust. They did not wait for a warrant to do that; if they had done so the men would have been out of the territory and into the United States. I think the subsection should remain just as it is. To-day the great bulk of gold shipped from Yukon goes through the banks and is sent out in gold bricks, of a value not less than $10,000 each. It is almost impossible to steal those; they are too bulky and thieves cannot get away with them. But in the natural form of gold dust and nuggets it is easy enough to steal and conceal, so that I think the penalty should be severe, and I belive the police officers should be given a free hand to discover and search any thieves.

Mr. NICHOLSON: I find myself in agreement with the hon. member for Yukon. It is important that we realize that laws which are necessary for a city like Calgary or Saint John are not applicable to these northern areas. We must recognize that one who seeks to evade his responsibility in the payment of royalties is trying to cheat his fellow citizens, and all this section asks is:

> Where any police officer has reason to suspect that any person has committed or is about to commit an offence . . . or has in his possession or in his belongings any gold in respect of which the royalty . . . has not been paid, such police officer may without warrant search such person and his belongings. . . .

If that provision is not made, as the hon. member for Yukon points out, a person may be out of the country by plane within a very short time. Most of us have our baggage examined for customs purposes whenever we

cross the international boundary, and we do not particularly object. If the individual has no gold that he is trying to take out of the country without paying the royalty, no serious damage will be done. So that I think the hon. member for Yukon is quite right in urging that this section should be retained in its present form.

Mr. ZAPLITNY: In listening to this debate, one would think gold is one of our most precious metals. Actually I believe it is one of the least important at this time. If we are to live up to the Bretton Woods agreement, which we talked about so much, we should not be so worried about gold just now. However, I rose to say that I am opposed to any increase in the penalty in subsection 2; and as far as that is concerned I am entirely opposed to subsection 4. After all, we are dealing with human beings, whether they are in gold mining areas or anywhere else, and here we are giving police officers the right to go through a person's belongings. It will be noted that in the second last line it says, "and any articles believed to be his belongings." They do not even have to know for sure that the belongings are those of the person they are searching; they may search the belongings of other people. I believe this is placing too much power in the hands of the police, and I want to record my objection to both subsections.

Mr. SMITH (Calgary West): I wonder if we could get together on this. I have a suggestion to make with respect to subsection 4.

The ACTING CHAIRMAN (Mr. Golding): I wonder if we could clear up section 2. Shall subsection 1, of section 2 carry as amended? Then we can go on.

Mr. SMITH (Calgary West): Do you not think they are definitely related, sir?

The ACTING CHAIRMAN (Mr. Golding): Go ahead.

Mr. BLACK (Yukon): No; they have nothing to do with each other.

Mr. SMITH (Calgary West): My hon. friend says they have nothing to do with each other, but surely what we are trying to do here is to prevent crime or, once we find it, to punish it. The deterrents which I suggested to the minister, and which he adopted, in exacting greater penalties under subsection 2, were as a deterrent to the crime itself.

With respect to subsection 4, we find the words:

> Where any peace officer has reason to suspect that any person has committed or is about to commit an offence . . .

I wonder if we cannot arrive somewhere by adding the word "sufficient" before the word "reason", and then eliminating the words "or is about to commit". I have had occasion to say before in the house that the Royal Canadian Mounted Police are a very fine force of men. But we all know that you cannot have four or five thousand men—and I think their numbers must be about that by this time—and have them all saints. It seems to me the wishes of the minister would be met by adding the word "sufficient". He would meet those cases where it is suggested that someone has heard a person has done something and escaped by aeroplane. Then such a person may have been picked up at the end of his journey, a search made, and the person taken from the aeroplane. In that instance the officer would have sufficient reason for believing that an offence had been committed.

In connection with a failure to pay royalties on gold, how can it be said that we suspect a person is about to commit an offence? The offence is the removal of gold from Yukon territory.

Mr. BLACK (Yukon): Not necessarily; in most instances it is stolen gold.

Mr. SMITH (Calgary West): High-grading, if you like.

Mr. BLACK (Yukon): No, not high-grading.

Mr. SMITH (Calgary West): With great respect to the hon. member for Yukon may I say that this does not deal with theft; rather it is a matter of failing to pay royalties. I am accepting the minister's word for that, because that is what he said only a minute ago. How can it be said a person is about to remove gold? If that is all, how can a search help? If a man has gold in his pocket or his pouch—and perhaps the hon. member for Yukon is thinking of that night on the marge of lake Labarge they cremated Sam McGee—

Mr. BLACK (Yukon): That is just rubbish.

Mr. SMITH (Calgary West): But delightful rubbish, by the way.

Mr. BLACK (Yukon): And you do not entertain the committee with it, one bit.

Mr. SMITH (Calgary West): It would assist an officer in finding someone who is about to commit an offence.

Mr. BLACK (Yukon): With all due respect, I cannot see why members should be so filled with fear that some crook is going to be inconvenienced—and that is all it means. If a person has not stolen gold, or has not gold

on his body or on his person, he will not be inconvenienced by the officers. One hon. member mentioned that when one crosses the boundary the customs officers search the baggage. I have seen them search their persons. The suggestion of the hon. member for Calgary West would make it even more drastic than it is now. I am all for subsection 4 as it is.

Mr. HARKNESS: I suggest to the minister that the words "or is about to commit" be deleted. The hon. member for Yukon has referred to the searching of baggage by customs officers, but I would point out that that is a different matter altogether. They lay open the bags and take a cursory look, but that is a different matter altogether from permitting police officers to have power to search one's person or belongings, simply because there has been a suspicion that someone may be going to commit an offence. It is bad enough to give power to a police officer to make a search when he has good reason to suspect that an offence has been committed. This section will allow such officers to search anyone at any time in Yukon.

Mr. GLEN: The words in the section are:

Where any peace officer has reason to suspect that any person has committed or is about to commit an offence.

He does not commit the offence until he is actually outside the territory and evading the payment of royalty. If we eliminate from the section the words "or is about to commit" we take the teeth from it. What would happen would be that a peace officer would know about a man who is about to commit an offence, namely, of his intention to leave the territory in a hurry, by aeroplane, train or team—

Mr. MacNICOL: Or boat.

Mr. GLEN: Unless the man is searched at that time, the man will have left the territory; the offence will have been committed and the officer left in a position where he could do nothing. If those words were taken out the section would not be effective.

Amendment (Mr. Mackenzie) agreed to.

Section as amended agreed to.

Bill reported.

NATIONAL PARKS

ADJUSTMENT OF BOUNDARIES IN RESPECT OF CERTAIN SMALL AREAS

Hon. J. A. GLEN (Minister of Mines and Resources) moved the second reading of bill No. 63, respecting the boundaries of certain national parks.

[Mr. G. Black.]

He said: Mr. Speaker, as this bill, if enacted, will divest the crown of certain areas of land in certain national parks, title to which is at present in the crown. The governor general has been informed in respect thereto, and has given his consent to consideration of the bill.

Mr. GORDON GRAYDON (Peel): Should that not have been done before? Is this the proper time to indicate the assent of the crown to this legislation?

Mr. GLEN: Yes, and I am informed that it is. This is the time that that should be done, namely before the question is put on second reading.

Mr. GRAYDON: With great deference to the minister I should think it is a strange procedure if the parliament of Canada can get as far as second reading before obtaining the consent of the governor general, and acquainting the house with that fact. I think something must be wrong, somewhere. It is certainly new to me; I never heard of this procedure before.

Mr. GLEN: I think the hon. member for Peel has in mind a resolution involving a payment of money, in respect of which it should be indicated that His Excellency the Governor General has given consent. But that is not this case. This is not dealing with a question of money but divesting the crown of parts of areas in the parks, and I am instructed by the law officers that that statement should be made before the motion is put.

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

On section 1—Short title.

Mr. GLEN: I should explain to the committee that although Banff park is described by metes and bounds in the National Parks Act, the boundaries of Banff park were not surveyed until 1940 when on instructions from the surveyor general a survey was made and boundary posts set up. Following the survey, an official map of the park was prepared.

This map was approved and signed on behalf of the Dominion of Canada by the Hon. T. A. Crerar, Minister of Mines and Resources, under authority of an order of His Excellency the Governor in Council and on behalf of the province of Alberta by the Hon. N. E. Tanner, Minister of Lands and Mines. An original signed copy of the said map was filed in the land titles office for the South Alberta land registration district of Calgary on the 18th April, 1941.

Two small parcels of land not formerly in the park are included within the boundaries of the park, as set out in schedule A. One parcel containing approximately 210 acres was acquired as a site for the eastern gateway. The other parcel comprising one-sixth square mile due to an adjustment of the boundary made on the survey of the park is added with the approval of the province. Total area added is approximately one-half square mile.

The total area of the park as described in schedule A is 2,585 square miles more or less.

Then as to Kootenay Park, the original agreement known as the Banff-Windermere road agreement which was approved by the dominion government by orders in council dated the 14th and 20th March, 1919, and ratified by an Act of the provincial legislature known as the Banff-Windermere Road Agreement Ratification Act, being chapter 5, British Columbia statutes, 1919, contained the following provision:

(4) The said province will grant to the dominion government a strip of land along the said Banff-Windermere road as laid out and completed to an approximate width of five (5) miles on each side thereof; provided always that, as far as possible, the crests of the mountains shall constitute the outside boundaries of the said area.

Kootenay park as established by order in council, P.C. 827, in 1920 included the area granted by the province of British Columbia.

A small part of the park unsuitable for park purposes was removed from the park area by order in council, P.C. 209, of February 2, 1922, following an arrangement with the province.

An official survey of and map showing the boundaries of Kootenay park were made under instructions from the surveyor general.

Upon completion of the survey, it was found that the park area varied considerably from the area mentioned in the original agreement, but the principle set out in the proviso of section 4 of that agreement was maintained in that the survey fixed the boundaries of the park along the crest of the mountains.

The provincial government of British Columbia, upon the completion of the survey and map, implemented the above-mentioned statute, chapter 5, British Columbia statutes, 1919, by passing order in council No. 810 of August 8, 1928, approving of the survey and the boundaries fixed by the survey. The boundaries of Kootenay park, as surveyed, are set out in schedule A to the bill.

The area of the park when established in 1920 was estimated at 587 square miles. Approximately seven square miles were removed from the park in 1922. Upon completion of the survey, the area of the park was established as 543 square miles, more or less.

Next is Riding Mountain park. The department acquired a number of small areas comprising in all slightly less than two sections with some pieces of roadway as an addition to the Riding Mountain park. These areas lie immediately south of the townsite of Wasagaming, the headquarters of the park. They were specially required to round out the park in this important section. The area being added consists of 962.3 acres.

This is similar to what was done in connection with Banff park. They had to add a portion of land at the south gateway in order to protect the entrance and prevent the building of hotels and the erection of other buildings at the gateway of the park.

The two small areas being withdrawn from the park were former sites of the forest officer's headquarters when the park area was a forest reserve. These two areas are outside the main park area.

Upon the establishment of the park a more intensive administration of the area was organized under which it was found advisable to locate the park wardens inside the park. The improvements upon these two small areas have been disposed of and the said areas are not now being used as they are in the centre of a farming district. It is considered they should be available for agricultural purposes. The total area of the two parcels being withdrawn is 320 acres.

The total area of the park is approximately 1,148 square miles.

Then Point Pelee park. The areas being added to Point Pelee park comprise:

(a) Part of a number of squatters' holdings which the department purchased from the estate of Joseph W. Post, together with some adjoining lands, the title to which was in the crown in the right of the dominion but which were not included in the park;

(b) Two lots in a subdivision of lot one of the squatters' holdings which the department acquired at a tax sale;

(c) With the formal consent of the local municipality, the department expropriated the roads inside the park boundaries.

The total area of the parcels being added to the park consists of 255·03 acres. The total area of the park is 3,869 acres, including the additions.

I come next to Georgian bay islands parks. Flowerpot island, which it is desired to include in the Georgian bay islands park, is located at the head of the Bruce peninsula.

The island was surrendered by the Chippewa Indians on the 5th day of June, 1856, and was acquired for park purposes from the Department of Indian Affairs on the 6th December, 1930.

With the addition of Flowerpot island, Georgian bay islands parks will consist of Beausoleil island (2,712 acres), Flowerpot island (475 acres) and some 28 smaller islands (251 acres), a total area of approximately 3,438 acres.

Mr. MacNICOL: Have squatters any rights there now?

Mr. GLEN: No.

Mr. FRASER: Beausoleil Island is where the sea cadet camp is held. Is that included?

Mr. GLEN: The Georgian bay islands parks will consist of Beausoleil island, Flowerpot island and some twenty eight smaller islands, with a total acreage of 3.438 acres.

The next is Mallorytown landing park. The new scenic highway which the provincial government is constructing between Brockville and Gananoque runs through the Mallorytown landing park, one of the St. Lawrence Islands parks. The provincial government secured and transferred to the dominion a small area adjoining the park in compensation for the area taken up by the right of way for the highway.

The area of the parcel being added to this park is 3·38 acres.

The total area of Mallorytown landing park is approximately 10 acres.

St. Lawrence islands parks, consisting of 15 islands, contain approximately 190 acres.

The idea of this whole bill is to round out, under the surveys that have been made, the boundaries of the parks, including some portions and excluding other portions.

Mr. MacNICOL: The schedule in connection with Point Pelee park exempts 200 feet along the foreshore. Would that not mean the spoiling of the part to be annexed?

Mr. GLEN: We are adding to the park a piece of land bought from the estate of Joseph W. Post and other small parcels.

Mr. MacNICOL: But it exempts a strip of 200 feet along the foreshore. Unless the park owns the land lying along the foreshore, would this exemption not spoil it?

Mr. GLEN: We need some of it and some we do not. What we have we bought from the estate of Mr. Post.

Mr. HAZEN: When was that?

Mr. GLEN: Two or three years ago.

Section stands.

Progress reported.

[Mr. Glen.]

BUSINESS OF THE HOUSE

Mr. GRAYDON: May I ask the minister leading the house if he will give us the order of business for to-morrow, and if I may be so bold as to say it, the definite order of business this time?

Mr. MACKENZIE: Mr. Speaker, I rise to a point of order. I definitely resent the implication and the imputation contained in the remarks of the hon. gentleman. The order of business is only announced in this house as a matter of courtesy. To-morrow we shall deal with committee of supply.

Mr. MacNICOL: What supply?

Mr. MACKENZIE: The only supply that is possible to-morrow according to the order paper.

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

Wednesday, May 15, 1946.

The house met at three o'clock.

RAILWAYS AND SHIPPING

SPECIAL COMMITTEE—CHANGE IN PERSONNEL

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

That the name of Mr. Kuhl be substituted for that of Mr. Shaw on the special committee on railways and shipping.

Motion agreed to.

EXTERNAL AFFAIRS

First report of the standing committee on external affairs.—Mr. Bradette.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

POLYMER CORPORATION—PAYMENTS TO IMPERIAL OIL LIMITED

Mr. MURPHY:

1. Did the Polymer Corporation Limited pay Imperial Oil Limited for material supplied and services rendered, under an agreement made on the 30th of December, 1944?

2. If so, in what amount?

Mr. McILRAITH:

1. Yes.

2. $3,594,975.86.

POLYMER CORPORATION—ST. CLAIR PROCESSING COMPANY

Mr. MURPHY:

1. Did the Polymer Corporation Limited purchase, or otherwise acquire the St. Clair Processing Company?
2. If so, what was the consideration?

Mr. McILRAITH:

1. No. However, by a letter dated April 26, 1946, and accepted by St. Clair Processing Corporation Limited on April 30, 1946, Polymer Corporation Limited terminated, as of 8 a.m. on May, 1946 (E.D.S.T.), the operating agreement between His Majesty the King in right of Canada, acting through the said Corporation, and St. Clair Processing Corporation Limited dated October 1, 1942.

2. Answered by No. 1.

WAR ASSETS—WHITLA, ALTA., EMERGENCY LANDING FIELD BUILDINGS

Mr. WYLIE:

1. What buildings have been sold by the government at the Whitla, Alberta, emergency landing field located on sec. 10-12-8-W. 4th?
2. Who were the purchasers?
3. What was the amount paid for each building?
4. What electrical equipment was sold?
5. To whom and at what price?

Mr. McILRAITH:

1.

Building No. 1—Accommodation building.
Building No. 4—Transmitter trailer shelter building.
Building No. 5—Marker beacon hut building.
Building No. 6—Marker beacon hut building.
Building No. 8—Generator house.

2 and 3.

Bldg.	Purchaser	Amount paid
No. 1	Charles Carlson, Bow Island ..	$1,500
No. 4	John Rub, Robinson, Alberta ..	100
No. 5	Nils Stanley, Medicine Hat ...	20
No. 6	Nils Stanley, Medicine Hat ...	20
No. 8	T. H. Hines, Bow Island	1,000

4 and 5. The sale of building No. 8 included electric wire, motor and generator installed therein. Purchaser and sale price are stated above.

Note.—The above amounts were determined with the consideration that the purchasers had to remove the buildings from the sites and restore the land to its original condition, at their own expense.

RADIO BROADCASTING—APPLICATIONS FOR RADIO STATIONS IN MANITOBA

Mr. MAYBANK:

What applications for radio stations have been made in Manitoba since January, 1945, and what, if any, have been granted?

Mr. McILRAITH: In so far as the Department of Transport is concerned:

(a) Applications received:

Winnipeg, J. O. Blick and E. B. Osler.
Dauphin, Richard D. Hughes.
Portage La Prairie, H. Lloyd Henderson.
Flin Flon, Arctic Radio Corporation (for frequency modulation).
Winnipeg, Department of Education (for frequency modulation).
Portage La Prairie, Department of Education (for frequency modulation).
Brandon, Department of Education (for frequency modulation).
Morden, Department of Education (for frequency modulation).
Dauphin, Department of Education (for frequency modulation).
Eriksdale, Department of Education (for frequency modulation).

(b) Licence granted J. O. Blick and E. B. Osler for a private commercial broadcasting station at Winnipeg.

ADMINISTRATOR OF MOTOR VEHICLES AND PARTS

Mr. STEPHENSON:

1. Who is the present administrator of motor vehicles and parts?
2. How long has he held the position of administrator?
3. What experience has he had in automobile business and what position did he hold before being appointed administrator?
4. What is his present remuneration?

Mr. MAYHEW:

1. John R. Marwick.
2. Since April 1, 1946.
3. None. His deputy, however, has twenty years' experience in the automobile industry. Mr. Marwick is also administrator of wood products and office equipment. Upon the resignation on March 31 of the former administrator of motor vehicles and parts, Mr. E. T. Milne, Mr. Marwick assumed the additional duties of that position.

Before Mr. Marwick's appointment to the Wartime Prices and Trade Board in 1942, he was chief field investigator for the foreign exchange control board.

4. $6,000 per annum.

IMPORT OF SUGAR FROM JAMAICA

Mr. BLACKMORE:

1. Are there any quantities of sugar in Jamaica which could be available for importation into Canada?
2. If so, is Canada taking steps to import such sugar?
3. If not, why not?

Mr. MAYHEW:

1. The exportable surplus of sugar produced in Jamaica as well as of all other British colonies and dominions has been purchased for

joint account by the governments of the United Kingdom and Canada, and is allocated by agreement between the two governments.

2 and 3. Answered by No. 1.

CONSCIENTIOUS OBJECTORS

Mr. BLACKMORE:

1. How many persons are at present being held in Canada by reason of their having been classed as conscientious objectors?
2. In what places or camps of detention are they being held?
3. How many of these are Jehovah's Witnesses?
4. Where are they being held?

Mr. MITCHELL:

1. As of March 31, 1946, there were 126 not including men on leave whom it was necessary to confine to work camps, and who are held in these camps because of their refusal to carry out the regulations in respect to conscientious objectors. There were 10,740 in addition classed as conscientious objectors who are not confined to work camps.

2. Location of camps	Total number in each camp
Petawawa Forest experiment station, Chalk River, Ontario	26
Riding Mountain National Park, Wasagaming, Manitoba	17
Jasper National Park, Jasper, Alberta	8
Banff National Park, Banff, Alberta	28
Kananaskis Forest experiment station, Seebe, Alberta	16
Kootenay National Park, Field, British Columbia	31
	126

3. Approximately 550 classed as conscientious objectors in Canada are Jehovah's Witnesses, and of this number 126 are held in camps.

4. For the reason stated in answer to question No. 1, 424 Jehovah's Witnesses come under same regulations as other conscientious objectors.

FARM LOAN BOARD—PRINCIPAL PAID AND OUTSTANDING

Mr. WINKLER:

1. By provinces, what is the total amount of principal repaid to the Canadian Farm Loan Board from its inception to the end of 1945?
2. By provinces, what is the total amount of principal outstanding at the end of 1945?
3. What percentage is this of the total amount loaned in the above period?

[Mr. Mayhew.]

Mr. MAYHEW:

1.

British Columbia	$1,774,333 09
Alberta	6,458,912 31
Saskatchewan	5,992,259 58
Manitoba	4,207,604 80
Ontario	3,044,518 25
Quebec	6,580,542 22
New Brunswick	633,015 20
Nova Scotia	788,048 83
Prince Edward Island	487,263 09
All provinces	29,966,497 37

2.

British Columbia	964,335 37
Alberta	2,967,811 67
Saskatchewan	2,581,001 09
Manitoba	2,584,224 19
Ontario	3,754,973 24
Quebec	7,366,693 26
New Brunswick	448,310 75
Nova Scotia	864,546 28
Prince Edward Island	857,255 44
All provinces	22,389,151 29

3.

British Columbia	33·3
Alberta	30·4
Saskatchewan	30·0
Manitoba	37·0
Ontario	54·8
Quebec	51·4
New Brunswick	36·5
Nova Scotia	47·3
Prince Edward Island	63·5
All provinces	41·7

PARIS EMBASSY—FRENCH LANGUAGE NEWSPAPERS FROM CANADA

Mr. HAMEL:

What French language newspapers from Canada are on file at our embassy in Paris?

Mr. ST. LAURENT:

L'Action Catholique; Le Canada; Le Devoir; Le Jour; La Presse; Le Soleil.

SETTLEMENT OF SUDETEN GERMANS IN ALBERTA OR BRITISH COLUMBIA

Mr. DIEFENBAKER:

1. Are any negotiations going on between the immigration authorities with regard to the admission into Canada, for settlement in Alberta or British Columbia, of Sudeten Germans from Czechoslovakia?
2. If so, what are the plans, and how many are to be admitted?

Mr. GLEN:

1. No.
2. Answered by No. 1.

GRAIN AND GRAIN TRADE

Mrs. STRUM:

1. What was the net production of grains (a) wheat; (b) oats; (c) barley; (d) rye, during the crop year 1944-45?
2. How much was fed on the farms to live stock?
3. How much was purchased by farmers for feeding purposes?
4. How much was used for malting?
5. How much was used for any other industrial purpose?
6. How much was exported for feeding purposes?
7. How much was exported for purposes other than feeding?

Mr. MacKINNON:

	Wheat (a)	Oats (b)	Barley (c)	Rye (d)
	— bushels —			
1. Production according to Dominion Bureau of Statistics final estimate January 22, 1946..	416,635,000	499,643,000	194,712,000	8,526,000
2. Fed on farms where grown (estimated).....	49,926,000	336,900,000	120,800,000	6,181,000
3. Purchased for feed (through freight assistance scheme)	26,028,642	42,679,302	30,568,844	18,854
4. Malting and brewing.....	....	....	8,591,659	....
5. Other industrial purposes.....	7,657,559	....	....	411,015
6 and 7. Total exports[1].....	342,945,515[2]	85,797,940[3]	39,406,518	6,187,583

[1] No detailed information available on use to which exported grains are put in the countries of destination.

[2] Includes exports of wheat flour in terms of wheat.

[3] Includes exports of oatmeal and rolled oats in terms of oats.

All figures based on 1944-45 crop year.

WARTIME PRICES AND TRADE BOARD—BRITISH COLUMBIA

Mr. SINCLAIR (Vancouver North):

1. Who is the head of the Wartime Prices and Trade Board in British Columbia?
2. How old is he?
3. Is he a veteran?
4. If not, when will he be replaced by a veteran, in accord with government policy?

Mr. MAYHEW:

1. Charles William Brazier.

2. 36.

3. No.

4. Since this is a purely temporary position, replacement of the present incumbent, who has served in a senior position since the establishment of the price ceiling, is not contemplated.

SWANSON LUMBER COMPANY, B.C.—GERMAN PRISONERS OF WAR

Mr. MacINNIS:

1. Are German prisoners of war employed by the Swanson Lumber Company at its sawmill near Clearwater, British Columbia?
2. If so, how many prisoners of war are employed at this mill?
3. What wages are they paid?
4. Are workers other than prisoners of war employed at the sawmill?
5. Are lumber workers available in the district and was any attempt made to find such workers before the prisoners of war were employed?
6. What is the basic wage rate for lumber workers in this part of British Columbia?
7. Were the prisoners of war engaged directly by the Swanson Lumber Company or through a contractor?
8. If through a contractor, what is his name and how much is he paid for each prisoner of war supplied to the above company?

Mr. MITCHELL:

1. Yes.

2. 91.

3. Prisoners of war are not paid wages. They are given a credit of 50 cents per day and from this credit they may obtain tobacco and other specified articles which are charged against such credit. Any balance standing to their credit will be given them on their return to their homes. The employer pays an amount equal to the value of the work accomplished and, in addition, certain travelling expenses and medical care and part of the cost of board and care of the guards. The amount paid in cash to the government is worked out

so that the labour cost to the employer will not be any less than would ordinarily be the case.

4. Yes.

5. In accordance with departmental policy, prisoners of war are not made available to the employer until the department is satisfied that civilian labour is not available. The employment service has not been able to provide civilian replacements to this employer for the prisoner-of-war labour up to the present time but orders for this purpose are on file with the employment service and prisoners will be withdrawn as and when civilian labour is available.

6. Minimum labourers' rate—55 cents per hour.

7. Directly by the Swanson Lumber Company, Limited.

8. See answer to No. 7.

CANADIAN REPRESENTATION AT THE VATICAN

Mr. LaCROIX:

1. Has the government received a resolution passed by the Quebec legislative assembly, recommending the appointment of a Canadian representative to the Vatican?

2. If so, has the government taken any action concerning such appointment?

Mr. ST. LAURENT:

1. No.

2. Answered by 1.

RADIO BROADCASTING—"THE PEOPLE ASK"

Mr. FRASER:

What does it cost the Canadian Broadcasting Corporation to broadcast "The People Ask," over C.B.C. stations and privately-owned stations?

Mr. McCANN: There is no direct cost to the Canadian Broadcasting Corporation in broadcasting "The People Ask", but the Canadian Broadcasting Corporation provides time on its stations for broadcasting the transcriptions of this programme. The Canadian Broadcasting Corporation has nothing to do with the broadcasting of this programme by privately-owned stations.

PROPERTY OF FRENCH NATIONALS IN CANADA

Mr. HAMEL:

1. Has an agreement been signed or have notes been exchanged between the Canadian and French governments as to property situate in Canada belonging to French nationals?

2. If so, what are the terms of such agreement or notes?

3. What is the value of the property of French nationals administered by the custodian?

4. Since what date has this property been in the hands of the custodian, and when will same be handed back to its owners?

[Mr. Mitchell.]

Mr. ST. LAURENT: The documents mentioned in the first part of the question were tabled yesterday and they will answer 1 and 2. As to 3 and 4, I would ask that they be made an order for return.

Mr. SPEAKER: Parts 1 and 2 answered; parts 3 and 4, order for return.

RADIO BROADCASTING—"JOHNNY HOME SHOW"

Mr. FRASER:

What is the Canadian Broadcasting share of the cost of producing and broadcasting the "Johnny Home Show?"

Mr. McCANN: There has been no direct cost to the Canadian Broadcasting Corporation in producing and broadcasting the "Johnny Home Show". The Canadian Broadcasting Corporation supplies part of the time of a staff producer, and station and network facilities.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WAR ASSETS—MACHINES FOR EXCAVATION OR CONSTRUCTION PURPOSES

Mr. MURPHY:

1. Has the government or the War Assets Corporation sold any new machines for excavation or construction purposes such as gas shovels, bull-dozers, etc., to General Supply Company of Canada, Limited, Ottawa, Ontario?

2. If so, what did these machines cost the government and for what price were they sold to the General Supply Company of Canada, Limited?

3. Has the government or the War Assets Corporation sold any used machines for excavation or construction purposes such as gas shovels, bull-dozers, etc., to General Supply Company of Canada, Limited, Ottawa, Ontario?

4. If so, what did these machines cost the government and for what price were they sold to the General Supply Company of Canada, Limited?

Mr. McILRAITH: Return tabled.

VETERANS LAND ACT—PRAIRIE FARM ASSISTANCE ACT—REGINA DISTRICT

Mr. ARGUE:

1. What qualifications are necessary for an applicant wishing to obtain land under the Veterans Land Act, in the Regina district?

2. Who are the members of the board in review established under the Prairie Farm Assistance Act?

3. What are the qualifications of each member for the position?

4. What are their respective occupations?

5. What number of applications for payment under the Prairie Farm Assistance Act in the Regina area have been reviewed by the board?

6. Of these, how many were approved?

PROPERTY OF FRENCH NATIONALS IN CANADA

Mr. HAMEL:

1. What is the value of the property of French nationals administered by the custodian?
2. Since what date has this property been in the hands of the custodian, and when will same be handed back to its owners?

MOTIONS FOR PAPERS

SOLWAY AND SONS—PURCHASE OF STORAGE BATTERIES, ETC.

Mr. STEWART (Winnipeg North):

For a copy of all correspondence, reports, recommendations and other documents exchanged between Solway & Sons, Toronto, and any government department, from July, 1945, to 30th April, 1946, with respect to purchase, sale and disposition of storage batteries, scrap or otherwise.

EMPLOYMENT CONDITIONS, CAPE BRETON ISLAND—REPORT OF DR. CURRIE

Mr. GILLIS:

For a copy of the report of Doctor A. W. Currie, on the matter of unemployment conditions on Cape Breton Island, Nova Scotia.

Mr. HOWE: The report in question is one from an officer of the Department of Reconstruction and Supply to his minister, and as such is privileged. I have no objection to my hon. friend seeing the contents of the report for his own information, but I do not think we can establish the principle that reports of that type must be tabled in the house. I therefore ask that the motion be dropped.

Motion dropped.

COAL

NEW ORDERS IN VIEW OF SHORTAGE OF SUPPLIES

On the orders of the day:

Mr. F. E. LENNARD (Wentworth): I wish to ask a question of the Minister of Reconstruction. In view of the order issued by him yesterday banning the use of bituminous coal to heat office buildings, stores, schools, theatres and public buildings in Ontario and Quebec, may I ask him why the heat is still on in these parliament buildings?

Mr. MACKENZIE: It is due to the Conservative party's activities.

Hon. C. D. HOWE (Minister of Reconstruction): The Department of Reconstruction and Supply is able to exercise control over certain government institutions but it has no overriding authority with respect to the parliament buildings.

Mr. L. W. SKEY (Trinity): Will the Minister of Reconstruction make a statement to the house giving information on changes made in the government's coal policy yesterday?

Mr. HOWE: I shall be glad to make a statement later. The position is, however, that the situation is deteriorating very rapidly. It is now over five weeks since any coal has been received from the United States into the provinces of Ontario and Quebec and it is not likely that any considerable shipments will be received for another month. Existing supplies are not sufficient to see us through, and therefore a determined effort is being made to spread out existing supplies as far as possible. The order made public yesterday is the first in a series that will probably be necessary before adequate supplies can be obtained.

Mr. P. C. BLACK (Cumberland): May I ask the minister whether he is in a position to make a statement regarding coal conditions in Nova Scotia, and whether a survey has been made of their capacity to produce and ship to central Canada? I am quite sure that if an appeal were made to the workmen and operators, in view of what they have received from central Canada in years gone by in the way of markets, there would be a whole-hearted response to the dire needs of central Canada at the present time.

Mr. HOWE: I shall be very glad to consider an appeal. I am happy to say that production of coal in Nova Scotia is stepping up. Apparently a greater number of men are returning to the mines. Coal is being shipped from Sydney to St. Lawrence ports and is being very helpful in the situation. We should like to get the last pound of Nova Scotia coal which that province can spare. I will ask the officers to explore the possibilities of a special appeal.

Mr. J. H. BLACKMORE (Lethbridge): May I ask the Minister of Reconstruction and Supply if the government have taken steps to see that coal is taken out of the various strip mines which were opened in Alberta during recent years?

Mr. HOWE: Arrangements have been made or are being made to operate all the strip mines that have been developed during the war years. We have been making every effort to get the last pound of coal that it is possible to have mined in Alberta.

THE SUPREME COURT

REFERENCE TO ARTICLE IN "FINANCIAL POST"

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I wish to bring to the attention of the Minister of Justice in order that he may explain on behalf of the Supreme Court of Canada, which is denied the right of explaining, an article appearing in a recent issue of the *Financial Post* in regard to the Supreme Court of Canada, pointing out that, so far as the supreme court is concerned, in one case involving $200 a 37-page judgment was given by the supreme court, whereas in another case involving a man well known in public life the court refused to hear the case on the ground that less than $2,000 was in dispute. This article—

Mr. DEPUTY SPEAKER: Order. I cannot see that there is sufficient urgency in the matter which the hon. member seeks to bring to the attention of the house to justify his proceeding with the question at this time. I would suggest to him that he move for the production of papers respecting the matter.

Right Hon. L. S. ST. LAURENT (Minister of Justice): I am quite sure, sir, that you have not seen the article in question. If you had seen it you would have come to the conclusion, as I think most other lawyers would, that it is urgent that the misapprehension which this article might create should be cleared up, if in fact it is not true. I ask for your indulgence because I think it is a matter of genuine public interest.

Mr. DEPUTY SPEAKER: I have noted the remarks of the Minister of Justice. This is not regular procedure, but to bring the matter to the attention of the house and with unanimous consent, the hon. member for Lake Centre may continue.

Mr. DIEFENBAKER: Thank you. This article says, having regard to these cases, one of minor importance and the other in which a man formerly in public life was involved, one being heard and the other not:

> What flashes through the minds of Canadians as they hear about this Supreme Court turn-down? Could there possibly be any connection between that fact and the other fact that Mulock is influential in politics?

My question is: Will the minister explain the difference between these two cases, so that any suggestion of bias, prejudice or the suspicion of the likelihood of there being any in the supreme court, will be removed?

[Mr. Howe.]

Mr. ST. LAURENT: The hon. member for Lake Centre is rendering a real public service in bringing this matter to the attention of the house. It came to my attention over the week-end, and I had the same misgivings about it that he had when he saw it. The title of the article is: "Our Supreme Court Should Be Careful." It then goes on to say:

> Just out from the Supreme Court of Canada is a thirty-seven page judgment. Somebody is suing somebody for $200 because sixteen horses shipped from Saskatchewan arrived at Montreal with their tails cut off.

I do not know where the writer of the article got the information that there was a thirty-seven page judgment. I looked at the reports of the supreme court and that case has not yet been reported. I did not look at the Dominion Law Reports to see if it had been reported there, but I inquired about the facts, and I found that this is a case in which the supreme court had no alternative but to exercise its jurisdiction.

An action for damages which involved the interpretation of the live stock bill of lading as approved by the transport commissioners had been brought, and the case was dealt with in the trial court and in the court of King's bench of the province of Quebec. After the judgment in the court of King's bench confirmed the judgment of the trial court an application for special leave to appeal to the Supreme Court of Canada was made in the court of King's bench on the ground that this was a form that was in use generally all over Canada, and that there was a matter of considerable public interest in the proper construction of that form, which was the approved form of making contracts with transportation companies for the transportation of live stock.

The Quebec court of King's bench or court of appeal, as is authorized by the Supreme Court Act, granted leave to appeal. That having been done, the supreme court had no discretion; it had to hear and dispose of the case.

In the other case, an appeal as of right was taken from the unanimous confirmation by the court of appeal of Ontario of a judgment rendered in the Ontario trial court in a case in which there was no specified amount of money involved. Under the statute and under the practice of the supreme court, confirmed by a large number of cases, that is not a case which can be appealed to the supreme court as of right. The respondent moved to quash the appeal. The supreme court heard the motion, and finding that it was not a case which could could be appealed as of right, granted the motion and declared itself without jurisdiction to hear the appeal.

It is most unfortunate that, because of the names of persons involved in the litigation, there should be any suggestion that their present or former positions in society or politics could have anything to do with the result. As a matter of fact, the house sees that the supreme court was without discretion. It so happened that when the motion for the dismissal of the appeal came before the supreme court, the chief justice was absent, and the court was presided over by Mr. Justice Patrick Kerwin, who, if there was anything in the suggestion sometimes heard that a man does not forget to which political party he belonged before he went to the bench—

Mr. HOMUTH: Do not be too sure of that.

Mr. DEPUTY SPEAKER: Order.

Mr. ST. LAURENT: —would not be suspected of leaning for political reasons towards one who had been prominent in another party. Suggestions of that kind are most unfortunate, and it is most unfortunate that there should be anywhere in the house any echo of it. The reputations of our courts are above that; and it is necessary for the sound administration of justice that they should remain above it.

This matter might be the occasion of proceedings for contempt, but proceedings for contempt have to come before the court that is injured, and it is not something that one finds very palatable to put gentlemen in the position of having to decide in cases in which there has been reflection upon themselves personally.

I feel sure this paper, the *Financial Post,* will be only too anxious to correct whatever misapprehension this article may have caused when it is able to verify that the factual background upon which it was based was entirely unfounded.

LABOUR CONDITIONS

STRIKE OF LUMBER WORKERS IN BRITISH COLUMBIA

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): I was expecting to be asked a question about the strike of the lumber workers in British Columbia which started at two o'clock to-day. Since no hon. member has asked about it, I think the house is entitled to be informed. The facts are these. The International Woodworkers of America, through their representatives, have requested the British Columbia lumber operators for an increase, I understand, equal to twenty-five cents per hour and reduction of hours of work to forty per week.

Negotiations on a collective bargaining basis have been going on between the operators and a committee representing the union which resulted in an offer being made by the employers of an increase of 12½ cents per hour with a reduction of the work week to forty-four hours. The union have also requested a union shop and a check-off system.

The dispute is one which comes within provincial authority. Notification was publicized that a strike would occur to-day, and as there was evidence that the negotiations were breaking down, the Hon. George S. Pearson, Minister of Labour for British Columbia, consulted with me in the matter and recommended the appointment of a special commissioner. Accordingly I appointed Hon. Chief Justice G. McG. Sloan, of Vancouver, B.C., an industrial disputes inquiry commission—I quote from the order of appointment:

> To confer with the parties and to endeavour to effect a settlement of the issues in dispute between them as aforesaid. In event that the commission is unable to bring about a settlement of the dispute, the commisison shall report to the Minister of Labour not later than thirty days after the date hereof or such longer period as may be authorized by the Minister of Labour setting out its specific recommendations as to the manner in which the dispute may be determined.

I have not had a report from Chief Justice Sloan. However, the information received by me by telephone early this morning from the British Columbia minister of labour is to the effect that at the meeting held by the chief justice yesterday the negotiations came to an end because those representing the union took the position that the strike was going to take place at eleven o'clock this morning. The operators felt that there was nothing to be gained by proceeding further with the negotiations, in view of the refusal of those representing the union to postpone the date of the strike.

Briefly the position is: (a) the union would not postpone the strike; (b) both parties were willing to arbitrate the question of union shop and union security conditionally, in so far as the operators are concerned, upon the strike being called off; (c) the union offered to settle the wage question on a basis of an increase of 18 cents per hour and a forty-hour week; (d) the operators are prepared to negotiate further on the question of wages providing the strike was called off.

The dominion Department of Labour is keeping in close touch with the provincial

department of labour, and hon. members may be assured that no possible solution will be overlooked.

DAIRY PRODUCTS

INQUIRY AS TO CHANGES IN SUBSIDIES

On the orders of the day:

Mr. MARK C. SENN (Haldimand): The other day I understood the Minister of Agriculture to say that certain changes were under consideration in the subsidies being paid on dairy products. May I ask the minister if a decision has been reached and, if so, what the decision is; or, if it has not been reached, can be say when that will be done?

Hon. J. G. GARDINER (Minister of Agriculture): The question has been under discussion, but a final decision has not yet been reached. It is hoped to come to a decision shortly.

CANADIAN CITIZENSHIP

NATIONALITY, NATURALIZATION AND STATUS OF ALIENS

Hon. PAUL MARTIN (Secretary of State) moved the third reading of bill No. 7, respecting citizenship, nationality and naturalization and status of aliens.

Mr. DIEFENBAKER: Mr. Speaker, last evening the hon. member for Peel (Mr. Graydon) asked the leader of the house what would be the business to-day, and there was no reference at all to third reading of this bill being moved. At page 1542 of *Hansard* the hon. member for Peel asked the question, and the Minister of Veterans Affairs (Mr. Mackenzie), who was leading the house, replied:

> Mr. Speaker, I rise to a point of order . . . The order of business is only announced in this house as a matter of courtesy. To-morrow we shall deal with committee of supply.
>
> Mr. MacNicol: What supply?
>
> Mr. Mackenzie: The only supply that is possible to-morrow according to the order paper.

I suggest, sir, that no notice having been given of the intention of the government to bring up this matter to-day, it should be held over for one day. I realize that it may be only a courtesy on the part of the government, but I do ask that the courtesy be shown, because after all it is impossible for anyone to prepare for the business of the next day unless reliance can be placed upon the statements that are made.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): May I suggest to my hon. friend that in all the sixteen years I have been in this house I have not yet seen notice given of the intention to move the third reading of a bill. If my hon. friend will look at *Hansard* for last evening he will see that when this bill was reported for third reading the question was asked, "When shall said bill be read a third time?" and I immediately replied, "Next sitting of the house." If, however, there is any fundamental objection to third reading being given now we shall be only too glad to accede to the request of the hon. member for Lake Centre.

Mr. DIEFENBAKER: Thank you very much.

Mr. MACKENZIE: Stand.

Mr. MacINNIS: I was going to ask that this bill be not read a third time to-day. To say that a bill is to be given third reading at the next sitting of the house does not mean anything, as every hon. member knows. It means third reading may be moved the next day, but not necessarily so. Some very important amendments were made to this bill, and we should have the bill with the printed amendments before it is given third reading. I make that a suggestion to the minister and to the house.

Mr. MACKENZIE: The bill is being reprinted and distributed. Does the same objection apply to order for third reading of bill No. 62?

Some hon. MEMBERS: No.

Motion stands.

PLACER MINING

NON-FORFEITURE OF CLAIMS OF SERVICE PERSONNEL—SMUGGLING

Hon. J. A. GLEN (Minister of Mines and Resources) moved the third reading of bill No. 62, to amend the Yukon Placer Mining Act.

Motion agreed to and bill read the third time and passed.

SUPPLY

PRICE CEILING POLICIES WITH RESPECT TO FARM PRODUCTS

The house resumed from Monday, May 6, consideration of the motion of Mr. Mackenzie that the house go into committee of supply, and the amendment thereto of Mr. Bracken.

Mrs. GLADYS STRUM (Qu'Appelle): Mr. Speaker, in presenting the case against the increase in the prices of farm implements the other day I pointed out that according to the select special committee of the Saskatchewan legislature on farm implement prices and

distribution, in the year 1936 out of a cost price to the farmer of $281, some $22.62 or only eight per cent went to labour, and $71.06 or 25 per cent went into the cost of materials, so that the total cost of labour and materials came to 33 per cent, or only one-third of the total cost of a binder. I pointed out also that in the remaining costs in connection with overhead, experimental work, the cost of selling, the cost of advertising, the cost of credit, collecting bad debts and so on, the companies in the meantime had been able to effect considerable savings. So it seems to me that in a consideration of this whole question we should take the gains or savings made by the implement companies and balance them against the increased costs.

Everyone knows costs in the fields of labour and material have increased, but we have not yet considered the increased savings to the companies in these other directions. Let us take the cost of selling, for instance. Those who have lived on farms remember that it is not so long since the farmers were canvassed by the implement agents in attempts to sell them tractors or binders. It is not many years since the dealers were driving over the country roads in company with high pressure salesmen, interviewing prospects. That does not happen any more, because for several years now the office of the small town agent has been haunted by farmers clamouring for the privilege of buying implements for cash, and it is now a matter of being put on the list and trying to get a preferred position. No longer do the companies need to spend money trying to sell farm implements. The farmers are begging to buy. No longer do the companies need to indulge in high priced advertising, because the farmer is not fussy any more. He does not insist on a Massey-Harris tractor or an Allis-Chalmers tractor; he takes any tractor or combine he can get. So there must be considerable savings in the fields of advertising and salesmanship. Also in the fields of financing and the collection of bad debts these costs must have been wiped out. Not only does the farmer pay cash, but even in previous years the companies took care of that situation by increasing the cash price to the buyer and making the man who paid cash carry the risk of the man who bought on credit. I submit therefore that in these fields the company has effected considerable saving.

What about the pre-war picture? The pre-war picture seems now to be accepted, just as we accepted excess profits as being excess in relation to normal profits. We seem to have accepted the pre-1939 structure of farm implement prices as legitimate. Time and usage have sanctified the position of the companies. But the report of the special select committee on farm implement prices did not. It condemned very strenuously the practices of the company, and recommended that certain steps be taken to remove these abuses of power in a field where the producer of farm implements had the whip hand over the consumer, the man who bought them.

These abuses have not been remedied. Although tariffs were reduced to allow more competition in the field, every time the tariff came down, the price paid by the farmer and the profits collected by the company went up. That is why no one should accept this new price increase without question. Increases are based on established abuses, not upon a just price structure.

This is a strong indictment of the attitude and policy of implement manufacturers. Their whole practice is built, not on cooperation with the workers in the industry and the farmers whom they serve, but upon how much profit they can secure and how far they can go in defying governments. Yet this government took evidence and advice from no other body when the increase in the price of farm implements was being considered. When permission was given for an advance in prices, the manufacturers were the only people consulted. This is a breach in the wall of price control, a wall which the Progressive Conservative party wishes to demolish even more rapidly by removing all price controls. This is another victory for big business, and its control over the family income and over the homes of thousands of Canadian men, women and children.

We in this group have consistently supported the government in its price control policy as applied to the things the farmer has to buy, and its policy of stabilized prices for the things he has to sell. In other words, we have supported a proper price relationship.

Therefore I move, seconded by the hon. member for Cape Breton South (Mr. Gillis):

That all the words following the word "government's" in the amendment, in the last paragraph of page 184 of *Votes and Proceedings*, May 6, 1946, to the word "imposing" in the second line of the amendment, be struck out and the following words be substituted therefor:

"policies permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in" and that the amendment be further amended by inserting the words:

"and workers" after the word "producers" in the third line of the amendment, so that it would then read:

"This house is of the opinion that the government's policies of permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in imposing on food producers and workers of Canada an unfair share of the burden of maintaining the government's price stabilization policies."

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, some time ago the Minister of Finance (Mr. Ilsley) asked me to spend some time with the officials of the wartime prices and trade board in order that I might satisfy myself as to the facts supporting the action taken with respect to farm implement prices, and provide a further report on this action for the benefit of the house. I am now prepared to make a statement in this matter. I should like it to be understood by all that the Minister of Finance has not seen the statement I am about to make, and that therefore I take full responsibility for what is said. However, I have done as requested, and I have certain figures and facts which I believe will be of particular interest to hon. members.

Various hon. members have suggested that for many years farm implement prices have been too high, and that under present conditions, where selling and collection expenses must have been reduced, no permission to the manufacturers to increase their prices was necessary. They have inquired whether there have been reductions in selling expenses, and other such expense items, and whether the wartime prices and trade board investigated these matters before issuing this order.

I can assure the house that the action taken by the prices board followed an exhaustive survey of the costs and the financial position of the major manufacturers of farm implements in Canada, extending over a long period of time—not a period of days, but some months. All the evidence obtained in this investigation indicated that on the basis of the position of these companies in 1946 some measure of relief had to be provided in order to ensure the continued supply, on large-scale production, so badly needed by the farmers of Canada at this time.

I can assure the house that there has been a substantial reduction in the general expenses, including selling expense and collection expense, which, in relation to sales volume, was reduced by forty per cent between 1936-39 and 1945. The fact is that increases in factory costs, which include direct materials, direct labour and factory overhead, since 1941 have been in themselves substantially in excess of the amount of relief which manufacturers were permitted to obtain through the 12½ per cent adjustment in maximum selling prices.

The Minister of Finance has already informed the house that such cost increases were in excess of twenty per cent over this period, and such cost increases could not be offset entirely by a reduction in general expenses.

Perhaps it will serve to illustrate the point still better if I place before the house specific figures showing a break-down of costs and selling prices for several typical items of farm machinery produced by domestic manufacturers and sold in Canada, both in 1941 and in 1946. These costs reflect only increases which have actually been experienced by the companies to date, and do not in any way reflect further cost increases, about which I shall have more to say in a minute, and which the companies probably will have to face in forthcoming months.

I have taken seven different items of farm implements and have tried to show by the following table the retail costs and the relief furnished by the 12½ per cent increase, along with the net result of the increase. The figures are as follows:

Retail price before 12½ per cent increase—	
13 run single disc drill	$219 50
20 run double disc drill	320 75
Manure spreader	221 00
14 disc harrow	82 00
8½-foot one-way disc	358 75
8-foot horse drawn binder	340 50
5-foot mower	118 00
Retail price permitted after 12½ per cent increase—	
13 run single disc drill	$246 95
20 run double disc drill	360 85
Manure spreader	248 65
14 disc harrow	92 25
8½-foot one-way disc	403 60
8-foot horse drawn binder	383 05
5-foot mower	132 75
Price relief provided 12½ per cent—	
13 run single disc drill	$ 27 45
20 run double disc drill	40 10
Manure spreader	27 65
14 disc harrow	10 25
8½-foot one-way disc	44 85
8-foot horse drawn binder	42 55
5-foot mower	14 75
Increase in total cost 1941-46—	
13 run single disc drill	$ 45 22
20 run double disc drill	53 26
Manure spreader	29 59
14 disc harrow	10 34
8½-foot one-way disc	41 23
8-foot horse drawn binder	54 64
5-foot mower	19 37
Difference between relief and cost increase—	
13 run single disc drill	$ 17 77
20 run double disc drill	13 16
Manure spreader	1 94
14 disc harrow	09
*8½-foot one-way disc	3 62
8-foot horse drawn binder	12 09
5-foot mower	4 62

* This is the only item out of the seven which shows that the relief given is more than the extra cost.

I think the house will agree that the implements selected are in common use by farmers, and it is therefore important to note that in all but one of the cases the amount of relief provided is appreciably less than the actual cost increase incurred. The total cost increase shown in these figures is less than the actual

increases in factory cost because of the saving in expense to which I have already referred. So much for the costs on individual machines.

It has also been suggested that the implement companies did show need for relief on the basis of their financial position and that domestic supplies of implements would have been in jeopardy without some adjustment. I can provide the house with some very informative figures on this point also, and I should point out that all such figures are based upon a forecast of 1946 operations and costs which are likely to be optimistic in view of developments which are almost certain to come. Factory costs will increase further beyond the level at the time relief was granted. For example, the office of price administration in the United States has just announced increases in farm machinery and parts amounting to 10·6 per cent at the manufacturing level. Canadian manufacturers depend on imported parts to a considerable extent and they will have to pay this increase, plus others which are expected to become effective shortly in the United States. This cost was not anticipated when negotiations began or when they were completed.

The estimates in the hands of the prices board also anticipated a level of total sales 100 per cent above the average level in 1936-39. This appeared to be the maximum sales volume which could be expected, taking into account the information available at the time it was made as to availability of materials and labour. Since making that estimate there has been a serious coal strike in the United States which has affected the implement companies both directly and indirectly, and through a slowing down of delivery of component parts and materials. Deliveries of steel products were of course materially reduced during the steel strike in the United States. Hon. members will recognize that problems in obtaining supplies of materials will continue to be exceedingly difficult for several months at least, and that as a result of these factors it is unlikely that the estimates of sales volume can be achieved. If there is a reduction below the estimated figure the forecast operations of the companies will prove to have been too optimistic, and profit margins will be further narrowed by their reduction in revenue and resulting increased cost per unit produced. If the sales volume is very much below this level I think it is safe to say that the manufacturing operations of these firms would be conducted at a loss.

Bearing in mind all these uncertainties regarding the future it will be of interest to the house to be informed that the companies were expected to earn not over 70 per cent of their approved standard profits in 1946 if they take the full amount of the price adjustment made available to them. This profit reflects revenue from export sales and from sales of imported equipment merchandized by the companies in Canada. Looking at their domestic manufacturing operations by themselves, it is estimated that one major company will still lose money after the price adjustment, and that the three major companies without the adjustment would have lost amounts running into millions of dollars during 1946.

Here is another way of looking at it. The level of sales in 1946 which, as I have said may not be achieved because of material shortages, is expected to be 100 per cent above the average of 1936-39, although reduced from 1945. Despite this and the economies in general expenses, actual uncontrollable cost increases have occurred which would have left the industry, without price adjustment, in a position to make not over thirty per cent of standard profits, with a substantial number of small producers showing a loss, and even one large producer being in this position.

I am sure that the house will also be interested to have a comparison of the movements in farm implement prices paid by farmers in the United States and in Canada over the period during which the prices board has been administering over-all price control. As the house is aware, an announcement by the office of price administration in the United States, made on May 13, granted an increase in prices of farm implements of 10·6 which resulted in a five per cent increase in prices paid the farmers. This appears low in relation to the 12½ per cent increase recently granted in Canada. However, the story is not complete unless reference is made to other increases granted during the same period in the United States.

Since the fall of 1941 there has been no increase in domestically manufactured farm implements in Canada with the exception of the 12½ per cent with which you are all familiar. During the same period in the United States, on the basis of the experience of one major company which is typical of the whole, there were increases ranging from a minimum of 12 per cent to a maximum of 20·6 per cent, to which must be added the 5 per cent announced this week. The proper comparison therefore is between 12½ per cent in Canada and a range of from 17 to 25·6 per cent in the United States. These figures are supported by an official index of prices paid the farmers for farm machinery in the United States, prepared by the bureau of agri-

cultural economics, which shows an increase in the United States implement prices in the United States of 12·8 per cent since 1941, to which must be added the further 5 per cent already referred to. It seems clear therefore that the farmer in Canada has benefited by a better control of this element in his costs, and I should add that there is reason to believe that further increases will be announced very shortly in the United States for particular companies.

I have not taken very much of the time of this house on any occasion during the last two or three years, and particularly in the last two sessions. But I should like now to have the privilege which some have, as a back-bencher not attached to any department of government, and to present some of my own reactions and make some statements which I have wanted to make as a result of things which have been said in this house.

It might be inferred from something which I have said that I am making a point for the farm implement companies. I am doing nothing of the kind, and I am satisfied that the wartime prices and trade board was not doing so either. The board wanted to see a steady and increasing flow of farm machinery to the farmers, particularly at this time when we are in short supply, and that was the main motive of their adjustment. I feel certain that, had I been sitting in the place of the members of that board, looking at the matter from the point of view of Canada as a whole, I would have adopted very much the same position. However, were I to turn myself around and put myself in the seat of the managers of some of these larger manufacturing concerns, I am not just sure what my reaction would have been. I rather think that I would have hesitated; I would have waited for a clearer sign of what my production possibilities were going to be before I made my application. However, they have made that application; and I think that the board, in the light of their financial standing, in the light of the costs of their equipment, and in the light of the need for farm machinery, did the right thing.

Generally speaking, this might indicate that I am not a believer in high prices, but I assure you that I am a believer in high prices. I believe in high prices as long as those prices can be controlled. High prices, high wages and high standards of living go hand in hand. But I am opposed to anything which would mean, for this country, inflation. In my opinion inflation and sudden decontrols would be very detrimental, and I will oppose them with all the vigour that I can command.

I have in my hand a chart—I do not know whether many hon. members can see it or not—indicative of where prices ran to in 1919, shortly after the war. Prices ran as high as 300 per cent above normal. Those who are close enough to see this chart will notice that it represents a bare triangle; there is a sharp rise and a very sudden fall in prices. What the wartime prices and trade board are trying to do is to prevent this rapid increase and this rapid fall. If the Canadian people will give the board support in maintaining a reasonable level of prices—not a permanent rigid structure without adjustments here and there as they become necessary, but the holding of the line on a reasonable level, cutting off this absurd peak at the top—the people will be spared untold hardship and discouragement.

Mr. FRASER: Prices are sky-high now, right here.

Mr. SPEAKER: Order.

Mr. MAYHEW: I suppose the hon. member is speaking of farm prices.

Mr. FRASER: Prices of anything—clothing, food, office rents, anything one may want.

Mr. MAYHEW: If you take the controls off, prices will be higher. I do not think any hon. member can accuse me of once having interrupted him when he was speaking, and I would ask that the same courtesy be shown to me that I have extended to everyone else.

The inference has been left in this house by some hon. members that business men, particularly manufacturers, are anxious to see large pools of unemployed men in this country so that at a moment's notice they can reach out and bring in whatever men are necessary to meet seasonal demands, and thereby get cheap labour, and as soon as the temporary demand is satisfied, let them go back again on relief. I assure you that such a view is entirely opposite to good business, and is the very reverse of the view held by the men with whom I associate most. A man who is unemployed, who is walking the streets without any money in his pocket, without a pay envelope coming in weekly, is not a customer of anybody. The one thing that a business man wants, be he a retailer or a merchant of any kind, is customers, and in order to obtain customers, people must be working. So far as I know the feelings of the group of people whom I represent, it is their firm desire that the men and women of this country shall be fully employed.

A further view, and in my opinion an erroneous one, held in some places is that manufacturers want the farmers to be in receipt of low prices. They do not want to see anything of the kind. The view I have here expressed more often than anything else

is that we want to see the first four large producers of primary products in Canada operating at capacity and at reasonably good prices. The first of these groups is the farmer. We want to see every farmer at work, extra men employed on his farm turning out the maximum of production, and we want to see him receiving the maximum return for his product. There again, if you like, the selfish motive comes into play, and there is where we shall find an outlet for our secondary goods.

Secondly, we want to see the lumber companies and those working in the woods operating, not to the capacity of the saw mills to cut lumber but to the capacity of the nation to regrow the forests that are cut year by year; otherwise the product would run out. However we want to see that industry running as fully as it can.

We want to see the mines, the third primary industry, in full production; and in addition we want to see the fourth primary producer, a very important one so far as British Columbia is concerned, operating to capacity. I refer to the fishermen and those dealing in fish products.

We maintain that by giving these people full employment, putting them all in a position where they can be actively engaged, those who are engaged in secondary industries will not have difficulty in keeping the rest of the men and women in Canada fully employed. That chiefly is the position I take. If you like to regard it as selfish, you can do so, but it is good business, and the two go together. Let me say this, however, that in my opinion while selfishness will succeed for a time, eventually the man who employs only selfish tactics in his own business will lose out, because selfishness is bound to ruin anyone who uses it to further his own needs only.

Our fight in this house therefore—and it is one that should receive the support of every group here—is to see that the man who desires an undue profit on his own goods, thus creating a spiral, shall not be allowed to have his way. I think we have every right to ask for the full support of the house for any move in that direction.

I know that adjustments have to be made from time to time; I am prepared to support any necessary adjustments. Adjustments, however, must be timed, and they must be orderly if they are not to ruin the country. What I am particularly concerned about is not the cost of the end products, but the cost of the basic products; and I consider that any wide jump in the price of wheat, which is not an end product in itself—I think it may be regarded as the cornerstone, so to speak, of many other products in the country—would not be to the advantage of the farmers themselves or to the advantage of the people of Canada as a whole.

Mr. CLARENCE GILLIS (Cape Breton South): I know that the hon. member for Victoria, B.C. (Mr. Mayhew) is sincere in his presentation to the house and believes everything he says. I have a high regard for him. I believe however that in his attempt this afternoon to justify the increased price of farm machinery there are one or two things he overlooked. Personally I am not very much impressed by figures prepared by those who were responsible for granting the increase. They may or may not be correct; we have no way of checking them.

There are one or two things which I would ask the hon. gentleman to explain with regard to the hand-out of 12½ per cent given the farm implement companies. I would like him to check up on how much of that was due to changing their capital structure. The member for Rosetown-Biggar (Mr. Coldwell) a few evenings ago put on the record the fact that they had given their higher employees gifts of blocks of stock that ran into a considerable amount of money. That is something that should be checked.

Second, I would ask the hon. member to check and some time inform the house how much they are losing in their export trade. Are they losing in exporting at the present time in order to establish their export markets, taking it out of the home market?

Third, one statement which the hon. member made jarred me a bit. He said that an increased price was granted these companies because of the fact that they were in short supply. In effect, the government was desirous of seeing maximum production in the field of agriculture, but they could not get it because there was a shortage of farm implements. The farm implement companies were in a position to sit back and say, "We will export; we do not have to sell here. If you get implements you will get them on our terms". That was the impression that I got, and that in effect is to sabotage an important industry and is an indictment against any organization that takes that attitude because of a shortage or because of the crisis that exists. These are a few of the things I would like to have clarified.

In rising to take part in this debate there are a few things on which I feel strongly. First I was disappointed, when the leader of the opposition (Mr. Bracken) moved his amendment, that he confined the discussion exclusively to agriculture. In my opinion

there is no possible solution in looking at the problem as it pertains to one section of society. Unless the whole economy of the country is healthy, there is no possibility of improving the situation for any one particular section of that economy.

My impression of the amendment moved by the leader of the opposition was that it was the thin end of the wedge to get away from price controls, taking advantage of a problem in the country to-day in regard to which there is a good deal of agitation, quarrelling with the government's position in the matter of price controls, and starting to chisel in that direction. I was disappointed that the hon. gentleman did not include the whole economy of the country so that we might have it thoroughly discussed. However, the subamendment moved by the member for Qu'Appelle (Mrs. Strum) now opens up that discussion.

I do not think anyone in the house is doubtful as to where the Progressive Conservative party stands in regard to price controls, and I agree with the statement made by the member for Victoria in this regard. This group believes in realistically handling that situation and in having a real price control, but I am afraid that the government, while making statements in the house and in the press, and the wartime prices and trade board, while expressing anxiety to maintain price controls and protect the consumer, are only rendering lip service, and that secretly they are doing the same thing that the Conservative party stands for only they are not doing it in the open.

Price controls are being removed, and removed rapidly. They started with the farm implement companies and the basic steel industries; they granted increases in the products from the top, which is bound to be reflected in the cost to the consumer. Once that kind of thing is started there is no getting away from it.

Let us take the list of some four hundred articles and commodities in Canada in respect of which price controls have been removed. If one examines the lists sent out by the wartime prices and trade board he will find that there is not very much price control on the things that the average person has to buy in Canada to-day. Go down town and buy a hat; you will pay $1.50 more for it than you would have paid two weeks ago. Buy a suit of clothes and you will have to do exactly the same thing. It is true all along the line. Controls are being removed from the very things that the average person has to buy. I suggest that any hon. member on the government benches who means what he says with regard to price controls should carefully check and find out what is going on.

[Mr. Gillis.]

We got into this spiral when we made the first bow to the steel companies. An increase was granted to the basic steel industry which automatically reflected itself in the price of implements made by the farm implement companies. They came along and asked for an increase. They will all come along and ask for the same consideration. If the controls are dropped from all the basic commodities of Canada, we shall not have price control very long.

This afternoon I should like to go into the other side of the story. The farmers' side of the picture has been handled capably. I am in agreement with the statement made by the hon. member for Rosetown-Biggar with regard to stabilization of farm commodities, parity prices and so forth, and there is no need for me to repeat it.

The government made its first mistake when it granted the increase to the basic steel industries of Canada without any consultation with the general public or with the employees of the steel companies. The increase was granted despite the fact that the steelworkers' union of Canada have been patient and long-suffering, particularly in the community from which I come. They have been trying to get an adjustment in their wage rates for the last four years, in order to wipe out the differential which exists between themselves and the rest of the industry in Canada.

Mr. MITCHELL: There is a reason for it.

Mr. GILLIS: They have appeared before the regional war labour board and the national board.

Mr. MITCHELL: Would my hon. friend tell us about the subsidy which makes it possible to pay the wages? There is a reason for the differential. Tell us about the subsidies.

Mr. GILLIS: Does the minister want me to go into the subsidy picture? It is a long story, and I should like the Minister of Reconstruction (Mr. Howe) to be present. If subsidization of industry in Canada was the solution to the problem, we should have a prosperous industry in Nova Scotia, because they have been on federal relief for the last twenty years. The basis of the industry down in Nova Scotia is the Royal Bank of Canada, which is not a poor organization by any means.

Mr. MITCHELL: That is a pretty glib way of getting around a difficult situation.

Mr. GILLIS: When the steel manufacturers of Canada were granted an increase of $5 in the price of basic steel they were called in

and the matter was discussed with them. It was also given to the manufacturers in Sydney, despite the fact that they are subsidized. According to the statement I saw in the press, a certain portion of that increase was supposed to be used for the purpose of increasing wages; but when the steelworkers' union approached the wartime prices and trade board and asked what portion of that increase was to go to paying wages, they were told to go out and see the steel companies and iron it out with them. The Minister of Labour (Mr. Mitchell) knows that until a week ago the union has not been able to meet the steel companies; the companies would not meet them. In effect the wartime prices and trade board said this: Go out and fight it out with the companies yourselves. They have got the $5 increase on basic steel; a share of that is yours; go and get it. That kind of attitude promotes industrial strife. They should have been consulted. The proportion of that increase which was allocated for the purpose of increasing wages should have been determined, and the steelworkers' union should have been informed about it. That was not done.

Since this session opened hon. members have been lobbied by the steelworkers' union, by the packing-house workers, by coal miners, electrical workers, and shipyard workers. I am of the opinion that this country is on the verge of an industrial upheaval. The Minister of Labour realizes that. It should be headed off. The demands of the workers are not so great. The steelworkers' union is a good case in point. If there is any organization in this country which has been patient and long-suffering, which has canvassed every legal piece of machinery available in an effort to iron out its difficulties, it is the steelworkers' union. It is a national organization. In the lobby they put on in the house the majority of the members signed a statement which said that their case was just, that their demands were reasonable and that they would back them in getting their demands. What were their demands? They were conservative. They asked for a minimum weekly wage of $36, a forty-hour week, two weeks' vacation with pay, tax exemptions up to $2,000, and a tri-partite council consisting of the employers, the employees and members of the government to sit together to iron out their difficulties and come to an understanding, instead of doing what they are doing now, declaring war on each other. These are their demands. They are conservative when considered in the light of the wage rates in the same industry in the United States.

So long as there exists a differential between the standards of living in the different sections of society in Canada and the United States, we are going to have difficulties in this country. It is bound to flow over here. The workers of Canada know what the wages are in the United States; they know what the standards are. A lot of our unrest to-day is based on the fact that our standards are so low in comparison with similar occupations in the United States. I am going to give the minister a few comparative rates in the steel industry of the United States and Canada to show how great the difference is. The rates are as follows:

	United States Steel Average	Algoma Average
Larryman coke ovens	1·15 P.W.	·76½ P.W.
Roller, bloom mill....	2·44	1·46
Heater, bloom mill....	2·43	1·42
Bottom maker, bloom mill	1·58	·81 P.W.
Shearman, bloom mill	1·58	·82 P.W.
Manipulators, bloom mill	1·61	·91½ P.W.
Stove tenders, blast furnace	1·19 P.W.	·74½ P.W.
Pig cast, blast furnace	1·03	·70 P.W.
Gas washer, blast furnace	1·14	·76½
General labour	·96½	·64½
Blacksmith	1·38	·82½-·90
Bricklayers	1·49	·90
Carpenters	1·26	·82½
Machinists	1·41	·92½
Pipefitters	1·25	·82½
Pattern maker	1·36	·90-100
Welders	1·31	·90

I have given the differences in the steel industry as an example; the same differential exists in other industries. These unions are international unions; they are part and parcel of the United States set-up. They hold joint conventions; they exchange literature. The average worker in this country knows just how far his standards are below the standards in the United States. In most industries I think there is a differential of about 30 per cent as between Canada and the United States, and something must be done to level that off. There is also a difference in the cost of living; I realize that, but it is not equal to the differential in the income of the workers. I do not care how high the cost of living goes; if you have wage rates which are comparable and which enable you to buy. I do not believe shrinking the pay envelope or the income of the people of this country is going to solve our problem. On the contrary it is going to get us back to where we were in 1939. One of the first things President Truman did in the United States on the cessation of hostilities was to instruct industry in that country that wage rates must be brought up by something like 25 to 30 per cent, so that the

people would have purchasing power to enable them to buy back the things they were producing. The opposite attitude was taken in Canada.

Mr. MITCHELL: That increase in the United States has gone down the drain already because of inflation.

Mr. GILLIS: I would not say that. There is a whole lot of the bogey man in this business of inflation. I am not very much afraid of it. We talk about the difference between the cost of living to-day and the cost of living in 1919 and 1920, but some time I should like the Minister of Finance to put alongside those figures the rates of taxation in the two periods, so that the public may see how much worse off they are to-day. You are getting it in a different way this time. After the last war it was put on a pair of shoes, a pair of socks, a can of milk and so on, where everybody could see it. To-day it is being taken away from the worker by a very heavy income tax and then passed back to the industrialists and manufacturers under the table by way of subsidies, so it is hidden. The profits made during this war by the industrialists and manufacturers of this country were higher than those made during the last war; make no mistake about that. This business of waving that flag of inflation is overdone. A little inflation is good, if it does not get away from you. If you mean your price controls, when you get the thing where you want it and control it for ever I do not think you will have any difficulty. But I do not believe you are controlling anything to-day; that is my opinion. You go out to buy anything in this country and you will find that the price has taken quite a jump since the end of the war. I have a few figures here. I believe the cost of living index in this country is crazy. I do not believe anyone who compiled that cost of living index can justify it by any reasonable means to any sensible person. I do not think it reflects the cost of living in this country at all. I would ask any hon. member of this house to have a committee in his community go out and check the merchants, the fellows who are retailing. Take their inventories in 1939 and their inventories to-day; compare them with the cost of living index as put out by the government, and you will find a great discrepancy.

Mr. ROSS (Souris): And check the quality of the material.

Mr. GILLIS: Yes, and the quality of the material. I have a few figures on the cost of living which were taken locally by committees in Rouyn and a couple of other sections. This has been done several times in my own community since the outbreak of war. We have sent out committees of the mineworkers union to canvass Sydney, Glace Bay, New Waterford and so on, and we can show you figures gathered from the merchants, showing their inventories and the prices at which they were selling at a certain date, and so on. According to these figures the cost of living in that section of the community in 1942 was up around thirty per cent in the essentials the average person had to buy. Do not forget that about eighty or eighty-five per cent of the cash handled by the average small salaried man or wage earner in this country is spent on food, clothing and shelter, particularly on food. That does not include any luxuries. When you put the increase on a pound of butter and a pound of bacon, and on clothing, you are hitting him one hundred per cent. Here are a few figures which were gathered locally, showing the difference in prices as between 1939 and to-day:

	1939	1946
Butter	25 cents	40 cents
Eggs	31 cents	45 cents
Bacon	33 cents	70 cents
Round steak	24 cents	39 cents
Sirloin steak	28 cents	49 cents

Flour is up twenty-four per cent; sugar is up thirty-two per cent; potatoes are up fifty per cent; tea and coffee are up thirty-one per cent. In fact everything is up but wages.

Mr. ILSLEY: Be a little bit fair, will you not?

Mr. GILLIS: I am trying to be. The fact of the matter is that I am bending over backwards to try to make it easy for the Minister of Finance, because I appreciate his difficulties.

On the other side of the picture, in reference to this business of profits, I refer to a recent survey by the Bank of Canada—and Graham Towers does not make any mistakes. This comes from his organization. The net profits of Canadian business institutions in 1944 were double those of 1936. Accumulated surpluses and reserves by 700 companies in 1943 amounted to $1,188 million as compared to $800 million in 1938. Wages have not gone up proportionately.

Mr. ILSLEY: The hon. member does not say that the profits after taxation were double those of 1936, does he?

Mr. GILLIS: That is right; after taxation.

Mr. ILSLEY: I will have to check that.

Mr. GILLIS: You check it, and you will find it is worse than I am saying. I am really making it easy for the minister. According to recent statistics given out by the dominion bureau of statistics, 611 Canadian plants with

a total of 108,308 hourly employees—this is where your wages are going—as of December 1, 1945, the average employee received 67 cents per hour, which compares with a rate of 70·5 cents as of December 1, 1944. In other words they suffered a reduction of over 3 cents per hour in that period of time. Three cents an hour has been actually chiselled off.

Mr. ILSLEY: The hon. member takes business and makes a comparison between 1936 and the present time.

Mr. GILLIS: Between 1936 and 1943.

Mr. ILSLEY: Well, what about taking the same period for wages, and making a comparison between those years?

Mr. GILLIS: I think it would be a good idea, but I have not the figures here just now. That is the job of the Minister of National Revenue. He should know more about wages than anybody else in this country, because he is getting most of them by way of taxation.

The point I was going to make is this. As I said a moment ago, President Truman ordered an upward trend in wages in order that the people might have purchasing power, because if they cannot buy we are going to have unemployment. The trend in Canada is the reverse. According to the dominion bureau of statistics, hourly rates of wages in Canada have dropped by approximately 3 cents. But in addition, has anybody checked how much purchasing power the Canadian dollar lost in the last year through price increases? I would not say this figure is accurate, but I did hear that in essential commodities the Canadian dollar has lost about 16 per cent of the purchasing power it had a year ago. In other words it costs you that much more to buy things. A $4 hat has gone up by $1.50; I bought one myself only a few days ago, and I know. The cost of a suit of clothes has gone up, and so on; and mind you, you are not getting the article you got in 1939, by a long shot. The values are away down as far as material is concerned. As I said before, the trend in Canada is back to 1939. There is no doubt in my mind about that. That is the attitude of big business in this country to-day.

A few minutes ago the hon. member for Victoria, B.C., spoke about secondary industries, and with much of what he said I can agree. I believe that not many of the secondary industries, these small decentralized industries which are standing on their own feet, are being heavily subsidized. Those fellows are square, if they have an opportunity. But there are a few large monopolies across the country which are squeezing the small fellows out of the picture. If the present trend continues for another four or five years there will be no secondary industry left. The Minister of Finance (Mr. Ilsley) is from Nova Scotia. All he has to do is to look back in that province for the past ten or fifteen years and he will see that about fifteen fairly substantial secondary industrial set-ups have been siphoned off and swallowed up by monopoly control. In fact, as recently as the period of the war, one industry, which had existed for over thirty years, expired. A few people who are connected with monopolistic industry are to-day running the show. Unfortunately the government is subsidizing them, carrying them along and keeping them in the picture.

I should like to focus the minister's attention upon the difference between the condition of the average person and that of the industrialist. Certain statutory regulations were put out on February 18, 1946. The first of these was order in council P.C. 254, dealing with the rehabilitation allowance to veterans. I shall not read it in detail, because it is lengthy. May I state briefly that it makes provision for some relief when a veteran is out of employment awaiting a course. This is restrictive and narrow, and comes back to the old system of relief. But the veteran who is not about to take any course, who may not wish to take one, or who may not be qualified to do so receives nothing. There are about 30,000 unemployed in the maritime provinces to-day. Of that number about 4,100 are on the island of Cape Breton; and of this group about 1,600 are war veterans. Most of them cannot take vocational training courses because they have not the necessary educational qualifications. Under the regulation one must have reached at least the eighth grade, and if that grade has not been reached, he does not qualify. Many of those men did not reach that grade because they did not have the clothes in which to go to school during the years of depression. They get nothing.

I turn to another order in council, P.C. 358, which makes provision for underwriting the losses, or guaranteeing the profits—one may interpret it in either way—of the Dominion Shipping company, a subsidiary of the Dominion Steel and Coal Corporation. This company conveys the ore from Newfoundland to the Sydney steel plant, a distance of only about ninety miles. The government has found it necessary to pass a special order in council underwriting the losses of that subsidiary of the Dominion Steel and Coal Corporation.

On the one hand is the boy who has just come back from overseas after fighting a

war. In this house for five years we were saying that nothing would be too good for him. He could have a new world, a new heaven and a new earth. He is the fellow who saved us from ourselves. Well, he is back, and he is back on relief. There is no subsistence allowance for that man who cannot qualify for a course; and there is a limit of twelve months even for the one who is qualified. On the other hand those who stayed at home, the boards of directors, the bondholders in companies such as the Dominion Steel and Coal Corporation are protected by orders in council, so that they may be guaranteed that every dollar they invest will produce a certain income. Those people are comfortable; they have good homes. They have everything they want. They have bank accounts. They are not suffering; they are not in need. But the dollar they invest is guaranteed a return by the Dominion of Canada. On the other hand, the fellow who fought the war and who saved us from the stupidity of people who have been running this world for the past thirty or forty years, comes back here and finds he is not even entitled to eat. He has no home, because the insurance companies cannot make money out of him under the national housing scheme.

Mr. ILSLEY: Is it not true that our system of reestablishment credits and gratuities is more generous than that of any other country?

Mr. GILLIS: Yes, but let us remember that those gratuities are limited. They run out.

Mr. ILSLEY: Correct.

Mr. GILLIS: And in many cases they have run out.

Mr. ILSLEY: Yes.

Mr. GILLIS: And unemployment insurance has run out. They have no jobs and no prospects of jobs.

Mr. ILSLEY: The subsidies about which the hon. member has been speaking are to keep industry going so that they can give jobs. That is the only reason for them.

Mr. GILLIS: But there has been no expansion in those industries. They are not going any farther. They are not hiring any of the boys who are coming back. There has been no expansion in those industries, and there are no jobs for them when they come back. And not only the ones who have come back, but hundreds who left school since the beginning of the war are now looking for employment.

When I asked the Minister of Labour a few days ago, as a result of several telegrams, whether the government would consider the possibility of extending out-of-work benefits to soldiers until they could find some employment, or continuing unemployment insurance until those receiving it might be in a position to secure employment, his answer was discouraging. In effect, his answer was no, that the matter had not been considered, and that relief in any community was the responsibility of provincial and municipal governments. That is the philosophy of the thirties. It is not good enough to-day. I appreciate the necessity for subsidies under present conditions. If they are taken from any of the industries in Nova Scotia which are receiving them, those industries will fold up. But surely this is some indication that there must be a reexamination of the whole economic set-up.

The farmer asks for increased prices. Fine; I agree with that. I believe those prices have to be stepped up. But when we increase the price of farm products we automatically increase the cost of living.

Mr. ILSLEY: True.

Mr. GILLIS: And that comes back to the industrial worker. If farm prices are going up, then in proportion to those increases in farm prices we have to increase the wage structure if we are to keep on an even keel. Unless this is done, the effect will be that of dumping an additional load on the shoulders of the small salaried worker. He is not in a position to pay for any increased cost of living, owing to the taxes he is paying. Certainly those who were on fixed incomes during the war took it on the chin; but I do not think the business man did, at least not to any great extent. I am amazed when I read, in the income tax form, the exemptions the business man can claim for income tax purposes. But the civil servant receiving $2,500 a year, or the wage earner receiving $25 or $30 a week, can write in nothing by way of expenses. His total income is taxed, and taxed heavily. The man who is operating a business has his expenses deducted.

Mr. ILSLEY: Because he is taxed on the profits.

Mr. GILLIS: He can deduct the expenses of all his trips across the country, and the expense of any additions to his buildings—

Mr. ILSLEY: Oh, no.

Mr. GILLIS: Extensions to plant.

Mr. ILSLEY: No, not at all.

Mr. GILLIS: And the expenses for commercial travellers, car allowances and special depreciation for cars. I wish I had got into some business before the war. If I had, I do not think I would be paying any taxes at all.

Mr. ABBOTT: And might not be making any money, either.

Mr. GILLIS: If I could write in on the income tax forms some of the things they write in, it would be a lot easier for me.

I make a plea to the Minister of Labour. In the field over which he presides there is need for serious thought.

Mr. MITCHELL: I have heard that before.

Mr. GILLIS: It would not surprise me after reading the newspaper and the correspondence that I have received if within the next few weeks we had a tie-up of the packinghouse workers, the steelworkers, the electrical workers, and many others. Personally I do not want that to happen because I think the rest of the world is depending upon North America for its production, and the main emphasis should be upon the production of everything. However, the attitude taken by the industrialists of this country, which apparently has been confirmed by the Department of Labour, is—

Mr. MITCHELL: That is not true.

Mr. GILLIS: Wait until I finish. In a broad way—

Mr. MITCHELL: I wish my hon. friend would speak in a broad way instead of going round in circles as he has been doing this afternoon.

Mr. GILLIS: I am not going round in circles. If you read my speech afterwards you will find it is very cohesive.

Mr. MITCHELL: If my hon. friend has not swallowed himself, he is getting pretty close to doing it.

Mr. GILLIS: I did not catch that. Would you mind repeating it?

An hon. MEMBER: Read it in *Hansard*.

Mr. GILLIS: Are you ashamed of it?

Mr. MITCHELL: I said that if the hon. member has not swallowed himself yet, he is getting close to it.

Mr. GILLIS: I cannot quite figure that out.

An hon. MEMBER: There are many things you cannot figure out.

Mr. GILLIS: I mean this. The minister says that they do not confirm the attitude taken by the employers, but I would remind him that the price of basic steel was increased $5 per ton and you told the workers to go out and fight it out with the employers.

Mr. MITCHELL: We never told them anything of the kind.

Mr. GILLIS: Donald Gordon did.

Mr. MITCHELL: You are talking to the Minister of Labour now.

Mr. GILLIS: The job of the Minister of Labour is to work for the good of labour. If Donald Gordon is making the minister's job any tougher than it should be, the minister should tell this house about it; the minister should get tough with him. That sort of thing promotes industrial strife in this country. I do not want to see these steelworkers in a fight, because there are too many of them in my riding. The packinghouse workers should not be permitted to get into difficulties, because food is the main requirement of the world to-day. We should be producing the maximum of everything we can, and there should be understanding in that industry right along the line. I think that can be done.

Mr. MITCHELL: Only three months ago I set up a commission to settle the packinghouse dispute.

Mr. GILLIS: I am not so sold on commissions. They just write reports. We are facing an emergency to-day similar to the one we faced during the war. The only difference is that the firing has ceased. The situation to-day is just as tense; the war has simply shifted to the home front. We should not permit these things to happen, because they are not necessary.

The Department of Labour set up a building industry council, made up of employers, employees and representatives of the government. When a dispute arises in that industry you do not hear anything about it. They get together, they arrive at an understanding, and the men go back to work. Why cannot the same sort of set-up be provided in all these industries that are facing disputes at the present time? The steelworkers' union has been asking for this for the last two years. There should be set up a tripartite council so that these problems can be talked over, so that the different parties may meet one another. If the industry does not want to do it, then the minister should set up such a council and ask them to take part.

There should not be any interruption in the production of steel. The position here is similar to that pertaining in connection with fuel. When your fuel supply is tied up, your whole economy is tied up; if the fuel supply is cut off, your plants and factories must shut

down. If you cut off the supply of basic steel, your fabricating plants will be tied up, as well as many other industries across the country. As far as I can see, the production of steel is going to be tied up. They have taken a strike vote which has been practically unanimous from one end of the industry to the other. If some reasonable settlement is not arrived at, this production will stop.

The labour relations board, that is the O'Connor board, is getting into difficulty. I do not intend to make any accusations, but I have received a number of letters protesting against certain actions of this board—or rather of the chairman of the board, who does not seem to be acting as an impartial chairman should. In connection with McCormick's Limited application he has been accused of casting the deciding vote to permit the establishment of a company union. If that is so, it should not have been done. I notice from press clippings that the mine workers of Nova Scotia, the steelworkers, the mine, mill and smelter workers are protesting against that action in that particular case. The application for the establishment of a company union was rejected twice by the labour relations board of Ontario because financial assistance was being provided by the company. This is the sort of thing that creates strife, because it builds up a lack of confidence in the board. The chairman is supposed to be impartial. I understand that in this particular case the labour representatives on the board dissented.

It is a rambling statement I have been making, but I mention these things because I feel that they must be taken care of if we are going to get through this period.

I should like to say something to the Minister of Finance about this matter of price controls. I believe he is in earnest and wants to do a good job in that field, but I tell him not to be fooled by some of his officials who may be kidding him that there is really price control in this country. Actually there is a lot of chiselling going on. We know just where this party stands. They want to take them off and go out and carry on under the old tooth and claw law.

An hon. MEMBER: Do not say "this party," say "Conservative."

Mr. GILLIS: The Conservative party. They want to climb on their neighbours' backs and get all they can for themselves. They want the old rugged individualism—to the swift the race. If you are strong enough, trim the other fellow. Get something for yourself. That is their philosophy. They may varnish and polish it up by saying that they are getting so much money for agriculture or labour; they may say what they like about it, but I am awfully glad they are not sitting over there. All they can do here is talk about it, and I think everybody is getting wise to them.

I tell the minister not to be fooled by people who may be just giving him lip service. He may have a lot of Tories on his administrative staffs, but the fact is there is a lot of chiselling going on. I agree with the hon. member for Victoria, B.C., who says, "Hold the line." However, I do not want just to hold the line and then keep the clamps on about eighty per cent of our people who are at the bottom. We should also hold the line at the top. If you start jacking up the prices for the manufacturers, then you increase manufacturing costs, which in turn increases the cost to the consumer. The whole thing will get into a spiral, and you will never get out of it. You have to hold it at both ends. We will back you in any control that is necessary.

Mr. ILSLEY: My hon. friend will not back me in the rigid control of prices of agricultural products, and he will not back me in the rigid control of wages.

Mr. GILLIS: Surely I will.

Mr. ILSLEY: He has proved that by the statement he has made this afternoon. He has expressed approval of higher prices for agricultural products, and he has demanded higher wages.

Mr. GILLIS: The minister was not listening to me very carefully. He made his first mistake when he increased the price of farm machinery 12½ per cent to the farmer.

Mr. ILSLEY: That was the last increase, not the first.

Mr. GILLIS: He has increased the price of basic steel to the manufacturers.

Mr. HUGHES CLEAVER (Halton): Mr. Speaker, I know that my hon. friend who has just spoken will pardon me if in the main I do not follow the thoughts in his speech. I would rather like to direct the thoughts of the house to the remarks which have been made in regard to the original motion. But may I say to the hon. member for Cape Breton South (Mr. Gillis)—if he would mind listening to me just a moment—that I think it is unfortunate, Mr. Speaker, that he as a member of the House of Commons is walking around with so many distrusts. He has said

plainly he does not believe that the cost of living index is a correct index of the actual cost of living.

Mr. GILLIS: I know it is not.

Mr. ROSS (Souris): Everybody knows it is not.

Mr. CLEAVER: In addition to that, he says wages have not increased since 1939.

Mr. GILLIS: No, I did not.

Mr. CLEAVER: In addition to that, he says he does not believe the figures which have been given through the wartime prices and trade board of the need for the increase in the selling price of agricultural implements. I would not bring up all these points if I did not have a constructive suggestion to make to him, and it is just this. We have parliamentary committees of this house. If any hon. member has reason to doubt the ability of officials who prepare such figures or the correctness of official figures which are issued we have an instrument at our disposal; we can check their correctness; and I say to my hon. friend, in all good friendship, that if he doubts the correctness of the cost of living index he should take the matter up with the bureau—

Mr. GILLIS: I have done that many times.

Mr. CLEAVER:—get the information, as I have done, as to how they prepare it. Then, if he is not satisfied, he should bring the matter before a parliamentary committee where he will get a proper hearing. Obviously we cannot adequately go into a matter of this kind on the floor of the house. But let him follow the matter to a satisfactory conclusion.

The same thing applies in regard to these implement companies. In principle, the C.C.F. party is apparently in complete agreement with the government in so far as price controls are concerned, but we are as far apart as the two poles in our opinion as to the need for the increase in the selling prices of agricultural implements. We have machinery whereby those figures can be checked and verified. I am told—maybe I am wrong and my hon. friends across the floor are right—that for the past number of years the agricultural implement industry have been producing implements at an actual loss, but they have been making sufficient profits on their war contracts to offset that loss, to considerably more than offset it. The time has, however now arrived when these war contracts are no longer in existence and when the implement industry must stand on its own feeet. If what I am told is correct, my hon. friends across the house should support the wartime prices and trade board in approving that increase. If my information is incorrect I, too, should be opposing the increase. Let us go at this matter in a businesslike way, find out who is right, check the figures, and then act accordingly.

I seldom take the time of the house to express my views on anything but an important subject. But as I pondered in my office the motion of want of confidence which was made by the leader of the opposition (Mr. Bracken) on May 6, and as I have listened to the speeches which were made on that motion, I felt that I would be remiss in my duty if I did not express my views. I feel strongly that the time has arrived when we should make up our minds as to which way we are going. The time has arrived when we should decide whether we want inflation as we experienced it after the last war or whether we do not want it. I do not think anyone who went through the distressing times which we had during that last inflationary period wants a recurrence of it; and I was surprised that the hon. member for Cape Breton South brushed off so blithely the "bogey of inflation", as he termed it. I was wondering where he was when we went through those distressing times after the last war, and privately I am going to ask him some time. I went through those times, and I do not want a recurrence. Every hon. member knows who suffers during an inflationary period, which is always followed by a deflationary period.

Mr. COLDWELL (Rosetown-Biggar): That is why we did not want to see the price ceilings broken.

Mr. CLEAVER: I am happy that my hon. friend says that; I have been happy to hear him repeat it so often in the house, and I think we can get together, because we are not so far apart in our viewpoints.

As I say the time has arrived when we must make a decision as to which way we are going. We know the government's policy. We have many times had an expression from the leader of the C.C.F. party and members of that party; they have announced their policy. As far as the government policy is concerned, it is, as I understand it, simply this, that we shall retain the price ceiling and the various controls which were so necessary and worked so satisfactorily during the war, just so long only as we must retain them in order to keep our economy on an even keel, and that we shall get rid of those controls just as quickly as that can be done with safety.

As far as the C.C.F. party is concerned, I do not want them to take offence at what I

am now going to say, but I am saying it because I believe it to be true. They agree with us in principle, but time after time I have noticed that when some group, representing labour or the farmers or some other interest, comes here wanting an improvement in its individual position, the C.C.F. party, instead of sticking to its established principle, is willing to bend it at that place even though it should throw the whole price structure out of control.

Some hon. MEMBERS: That is wrong.

Mr. CLEAVER: If I am wrong I am happy to find I am wrong, and I hope that when the vote comes on the motion of the Conservative party, as it will in a few days the C.C.F. party will vote to prove I am wrong.

Mr. GILLIS: I hope the hon. member will vote for our sub-amendment.

Mr. CLEAVER: As to the Conservatives, I think the time has arrived when the leader and the party itself, in fairness to themselves and to the country, should announce what their policy is in regard to price control. The country is entitled to know that. Down to date I have not heard any official declaration as to where the party stands with regard to the price ceiling and these controls. So far the party has contented itself with flank attacks on price controls. No one other than, perhaps, the hon. member for Stanstead (Mr. Hackett) has had courage enough to rise in his place and say positively that he wants all the controls removed at once. The party up to date has contented itself with flank attacks. This particular motion is another flank attack, and in introducing the motion the leader of the party was very careful to omit, or at any rate he did omit, to say anything at all about his party's policy in regard to controls.

As to the general policy of the government, let us take labour first. I have heard many people say that labour throughout the war has profited more than any other group. But when I look at the *Labour Gazette* for March, 1946, at page 335, I find in a table there showing the number of employees as reported on January 1, 1946, in the different groups covered by that table, that approximately 1,717,000 employees receive an average weekly wage of $29.85. I ask the house this question: Under present-day living conditions and costs, can any married man rear a family on a smaller amount per week? I say no. So that to those who argue in that way, and if the Conservative opposition feels that the ground for the present motion is that labour is getting too much, I suggest that these figures adequately answer that contention.

[Mr. Cleaver.]

I concede at once that in certain isolated instances it is possible that considerations were extended to some small groups of labour which were too generous; but in discussing the whole problem of the price structure and controls, we cannot get anywhere by simply referring to isolated cases. I submit that we must look at the broad picture of the total figures, taking averages rather than individual instances.

To come to the farm group, what has happened there? I have a statement from the bureau of statistics showing that the farm income in 1939 was $722·3 million; that is the cash farm income. I concede at once that the industry was a depressed industry at that time, but may I point out to the leader of the opposition that, while agricultural income was $722·3 million in 1939 and the industry was then in a distressed condition, the distress at that time was nothing like what it was in the early thirties when the party of his adoption was in power. Following down from 1939, I find that in 1945 the cash farm income had more than doubled over 1939. It is now $1,654 million.

When the leader of the opposition launches this motion and makes the bald statement that agriculture is not being properly treated in the present price structure, I ask him to be good enough to indicate by what percentage farm income should be increased to bring it up to parity or an amount commensurate with the receipts of labour, of the manufacturer, and of the other groups in the country. Obviously you cannot advance one without considering all the others, and if the leader of the opposition honestly thinks agriculture is not to-day receiving its fair share of the national income, the least he could do would be to indicate to the house the percentage by which he considers it is being unfairly treated.

Mr. SENN: Does the hon. member think agriculture is getting a fair proportion of the national income to-day?

Mr. CLEAVER: I say this to the hon. member for Haldimand, and I thank him for the question. I think that, compared with the total national income and with the taxes of all the groups in Canada to-day, agriculture is getting a proper proportionate share of the total as far as it is possible for any human being to bring this about. A man would need to be a Solomon to do any better.

Mr. ROSS (Souris): Ask your own Minister of Agriculture if he is satisfied.

Mr. SENN: You had better page the Minister of Agriculture.

Mr. PROBE: Will the hon. member give us the figures for all groups? He is pursuing an excellent argument right there if he would go farther.

Mr. CLEAVER: I will do the best I can in the time at my disposal.

Mr. PROBE: The manufacturers too.

Mr. CLEAVER: This motion is a want of confidence motion because, if it carries, the government resigns. Surely that type of motion is not to be made on any irresponsible or ill-considered grounds, and the least the leader of the opposition can do is to indicate to the house the percentage by which he thinks agriculture is being unfairly treated. Then, having done that, he must not stop there. His duty does not end there. He should then frankly admit, "It is true that if we increase agriculture, say, ten per cent, giving it another $160 million, the cost of living goes up". Then he should frankly tell the house, "In view of that increase in the cost of living, I think labour should receive an additional percentage", and he should indicate what in his opinion should be that percentage. After he gets through with that, with wages having increased, and manufacturers' costs having undoubtedly increased, he should indicate to the house to what extent he thinks the manufacturer should be permitted to increase the wholesale selling price of his products.

If anyone is dissatisfied with our present price structure, is that not the obvious thing for him to do, to explain the reasons for his dissatisfaction, keeping in mind all the different groups; because, after all, no one likes price control; no one likes wage control. These controls were imposed as a matter of necessity; the necessity continues, and until it passes we must have them. It is, therefore, only natural that all the different groups should selfishly take their own viewpoint.

But that is no reason why a responsible member of the house should not advance some sound reasons before moving a want of confidence motion asking that the government resign office because of the unfair way it is treating a certain group. I have yet to hear one word of proof from the leader of the opposition in justification of that motion.

I come now to the actual motion itself. I am now coming to my quarrel with the leader of the opposition, if you wish to put it in that way, and I am glad that he is here, because I want to talk to him. Speaking to the house on May 6, he stated, as reported at page 1244 of *Hansard:*

> I wish, therefore, to raise a question of major importance to the chief primary industry of this country and to the country itself, namely—

And this is the matter he wanted to raise.

> —the inequitable position in which agriculture now finds itself and the lessened production as a result of that inequity.

I should like to read two or three other quotations to make it clear beyond all shadow of doubt what was said on that day, because I think my hon. friend will be a little bit ashamed and apologetic of the stand he took at that time. He went on to say that production in agriculture is lower now than it was last year. Then at page 1245 of *Hansard* he said this:

> On the whole, farm production in Canada has been declining since 1944; 1945 was lower than 1944, and 1946 will be lower than 1945. I suggest that, if the farmers were given the necessary stimulus to produce, the situation would be greatly improved.

I suggest that if these words mean anything at all they mean that the farmer has lessened the production of food in this country because the prices are not satisfactory to him. Knowing the farmers of my riding as well as I do, and admiring as much as I do the wonderful contribution made by agriculture during the last war, the way in which, notwithstanding labour troubles and the shortage of farm machinery, they rose to the emergency and produced food supplies in quantities that were the admiration of the world; keeping all these things in mind, I say that it little behooves any member of this house, even though the motion is couched in such flowery, inoffensive language, to say in effect, in the words of the motion, that the farmers of Canada are carrying on a mode of sabotage or a sit-down strike and are declining to produce foodstuffs that the world so badly needs, simply because they are not getting high enough prices.

I wish to say to the leader of the opposition that he knows—and he should know it better than anyone in Canada—that last year, one of the years he complains about, the farmers had more acreage in production than ever before; but we had a smaller crop. Why? Simply because weather conditions were unfavourable. Are the farmers of this country to be faced with the accusation that appears in this motion, the accusation that appears in the speech of the leader of the opposition, namely that of deliberately curtailing production because the price was not right, simply because nature let them down after they had done everything that they could do?

Let us have the figures. Unlike the leader of the opposition, I do not ask anyone to take my thoughts on a subject unsupported by the facts. I hold in my hand a statement issued by the bureau of statistics, agricultural branch. Let us take wheat. Last year our

farmers sowed 23.4 million acres to wheat. Looking over the table that I hold in my hand, I see that over a period of six years that was the largest acreage sown to wheat in any of those years. Notwithstanding that fact, the crop yield is very much lower.

Mr. ROWE: Summer-fallow did not help it.

Mr. CLEAVER: I am not talking about summer-fallow. The crop yield last year was 129·6 million bushels less than the previous year, although in the previous year there was less acreage sown to wheat. When one compares that with the bumper year of 1942 he will find that the crop yield last year was still greater in deficit when compared with that other year. Is the farmer to blame; is the farmer to be maligned and that nasty innuendo go out that he has deliberately decreased production because the price is not right? I say that statement is positively untrue and should be retracted.

I now come to oats. In oats we have the same story. Last year 14·4 million acres were sown to oats, whereas in the previous year only 14·3 million acres were sown, and yet the yield is down 118 million bushels. Are the farmers to blame for that? Is the wartime prices and trade board to blame for that? Is the price structure to blame for that? Let us follow on through with barley. All through the picture the story is the same.

There is not a word of truth in the charge made by the leader of the opposition and in the innuendo contained in the motion that the farmers of this country have put on a sit-down strike and decline to produce as much food as they could, simply because the price structure is not right. I know the leader of the opposition would dearly love to get into power and I fancy he would do quite a bit to try to get there; but I want to tell him in the friendliest spirit that he underestimates, and he almost insults, the intelligence of the farmers of this country when he adopts the tactics that he adopted in his speech when introducing this motion on May 6 last.

There is one other matter to which I should like to refer, namely farm implements. I come from a rural riding. I know I am treading on dangerous ground when I say anything about the cost of farm implements, because over half of my electors are farmers. The house well knows that if you want to get cheers at any farm gathering all you have to do is to build up a good case against either the packers or the implement companies, and you are off to a good start. However, I believe that the present is an occasion when we should frankly speak our minds and when we should not do anything to make a difficult situation any worse.

I am told, and I honestly believe the information to be correct, that the 12½ per cent increase recently granted to the implement industry does not compensate the industry for the increase in labour and material costs which it has experienced. If that is correct—and I believe it to be correct—and when one bears in mind the fact that we so badly need the implements, is it not the part of wisdom to make it possible for our farmers to get these implements? I have been told by farmer friends that the implement situation is so bad that at auction sales secondhand machines are selling for almost as much as new implements.

An hon. MEMBER: And more.

Mr. ROSS (Souris): Why?

Mr. CLEAVER: Because of the shortage of farm implements.

Mr. ROSS (Souris): And the income tax.

Mr. CLEAVER: Here is another thing that should be kept in mind. It is strange but true that no farmer can dispassionately discuss the cost of farm implements with you. It is a subject that you cannot talk to any farmer about on a businesslike basis.

Mr. ROWE: Yes, you can.

Mr. CLEAVER: That is the hon. member's experience, is it?

Mr. ROWE: Yes.

Mr. CLEAVER: It is not mine, and I have ofttimes kidded my farmers in that respect. It is a touchy subject.

Mr. ROSS (Souris): It is, when you do not raise their prices.

Mr. CLEAVER: Here are the figures. I am making this statement so that it will be on the record. It is estimated that if the implement companies do everything that they hope to this year they will produce in Canada just under $34 million worth of Canadian-built implements. What is 12½ per cent on $34 million? It is $4·25 million. Now I ask my hon. friends in the Conservative opposition on the other side of the house, who are moaning about these increases in the prices of farm implements, to relate that $4·25 million to the total farm income, which is over $1,600 million. What do you get? You reach a figure of less than one-tenth of one per cent. There is another point to consider. The life of most of these implements is more than ten years, so you divide that figure of

one-tenth of one per cent by ten, and reach the figure of one one-hundredth of one per cent.

I suggest that we have reached a time in our economy when we have to be courageous enough to speak our minds, if we are to get anywhere, and when we have to face this problem in a businesslike fashion instead of trying to whip up the sectional feelings of the people.

Mr. D. S. HARKNESS (Calgary East): In rising to support the amendment moved by the leader of this party, I wish to state briefly the views of a large number of western farmers to whom I have spoken about the matters contained in the amendment, particularly one subject which is dealt with in these words:

> . . . the government's price ceiling policies . . . are imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

The farmers of western Canada believe that, and feel strongly about it.

However, before going on with that point, I should like to say it seems to me that most of the complaints of the hon. member for Halton (Mr. Cleaver), who has just taken his seat, against this party boil down to the petulant complaint that this party has not yet published an agricultural price control policy for the government to follow. Had we done so probably we would have been fine fellows. The hon. gentleman accused the leader of this party of belittling the farmers by saying they were going on a sit-down strike, and so forth. I am not a bit afraid to say that as far as the hog producers of Alberta are concerned they have gone on at least a semi-sit-down strike. A certain number of them have definitely quit raising hogs entirely because of the prices they have received in relation to the price they could get for the barley, while large numbers of others have considerably reduced their hog production. This is at least one definite instance where you have a refusal on the part of farmers to produce an extremely important commodity because of the price policy of the government.

Mr. CLEAVER: It would not be because of a shortage of coarse feeds?

Mr. HARKNESS: If you will look up the figures of the shipments of coarse grains from Alberta to eastern Canada you will find that it was not due to any shortage of coarse grains.

Before going farther, I should like also to say to hon. gentlemen to my immediate left, who are extremely fond of poking gibes at the members of this party and of accusing them of inconsistency, and so on, that they would do much better to devote themselves to educating public opinion, if that is the proper word, to their ideas rather than spending so much time in this house attacking ours.

In that connection, I should like to make it plain that there is one fundamental conception as far as I am concerned on which my remarks are based. It is that artificial control of prices and arbitrary distribution of commodities are contrary to the conceptions of free trade and free enterprise under which Canada has developed from the very beginning and in which the great majority of the people of this country quite evidently believe, as shown by the results of the last federal election. Artificial controls are the essence of a socialistic state, and the people of this dominion demonstrated at the polls that they do not want a socialistic state, as evidenced by their lack of support for hon. members to my left. So that I think we may take it for granted as something definite that everyone will admit that the majority of the people of this country are believers in free enterprise. In view of that fact, I think all believers in free enterprise, including the government, who profess so to believe, should now be bending their thoughts and energies toward the abolition of all those controls which were forced upon us during the war. One evil at least, of price control has been well demonstrated in this and many other debates we have had in this house. That is, you have endless arguments as to how these price controls should be worked, which should be upped, which should be taken off, which should be reduced, and so forth, all of which is motivated essentially by the desire on the part of each economic group in the country to improve its lot at the expense of some other group.

To come back to the western farmer for whom I intend to speak chiefly, even among those who are socialistically inclined the realization has finally spread that they are bearing almost the entire burden of price controls on many agricultural products, particularly on wheat. As a result, there is now a very widespread feeling in the west that we should get world market prices for our grain. Along with this is the almost universal belief that if the government will not permit the people of the west to obtain world prices; if it is to continue price controls on farm products and thus subsidize the consumer in Europe as well as the consumer in Canada, then all the taxpayers in Canada should shoulder the load equally instead of leaving it to the farmer to pay the shot.

To show that the farmer is carrying the load, I should like to quote a few figures. At the present time the price of wheat at Chicago is $2.18½ in Canadian funds; and at this point I may say that any figures I quote will be in Canadian funds. The price at Fort William is $1.55 a bushel. That represents a subsidy of 63½ cents a bushel on all wheat shipped out of this country for overseas use, and the entire amount of that subsidy is carried by the wheat producer. He has to stand the whole shot and he is getting a little tired of that. You have an analogous situation in regard to barley. At Duluth the price of barley is $1.48 for the best grade. At Winnipeg the price is 84¾ cents, with the exclusion of damp barley, and that covers all grades; it is a flat price. Here again we have a subsidy of 63¼ cents a bushel on barley, paid by the man who grows it. The situation with regard to oats is similar; I need not give the figures.

But this is by no means the end of the story. Western wheat growers subsidize all consumers of wheat in Canada to the tune of 30 cents a bushel, owing to the fact that the price for consumption in Canada is $1.25 a bushel, whereas the price for export is $1.55. That is a direct subsidy by the farmers to the Canadian consumer of wheat to an extent of 30 cents a bushel. However, in addition to that, the general public, the taxpayers—and this includes, of course, the farmers in western Canada—pay a further subsidy of 47⅜ cents a bushel, on account of the control which makes the price of wheat to millers 77⅝ cents. In other words, that is a further load put on the backs of the farmers, and on the backs of the rest of the people in the country.

There is still another chapter to the story. Not only does the western producer subsidize all eastern consumption of barley and oats for live stock feeding purposes, but he also bears his share of the freight subsidy paid by the government on the movement of that grain to eastern Canada. It is a combination of these subsidies of one kind or another which the western farmer must bear. With him, of course, are all the people in the west, because practically everyone lives off the farms, or as a result of farm production.

The result is that the western people are sometimes annoyed when some people complain to the effect that the western farmer is always whining. Indeed, that was stated last year by an hon. member on the opposite side of the house. People in western Canada are annoyed when other people in the east talk about their having to shoulder the entire tax burden, and paying 85 per cent of the taxes.

[Mr. Harkness.]

In these various subsidies on wheat alone which the western farmer has to pay, he pays a tremendous hidden tax which is never even mentioned, and which does not appear anywhere. That is the general story showing how agricultural price controls are to a large extent paid for by western farmers.

I should like to mention one other example of how the western farmer is penalized, and that is in respect of durum wheat. I have here a press release of April 10, 1944, from the Canadian wheat board, which states:

re: Durum wheat prices

Before the seeding of wheat actually begins, the board feels it necessary to advise those producers concerned that it is becoming increasingly difficult to sell durum wheat at any premium above bread wheats. The visible supply of durum is about 4 million bushels, mostly in country and lakehead elevators. Under normal market circumstances, the producers would have current information through cash market quotations to guide them, but these quotations are not available at present. By this announcement at this time the board merely wishes to inform producers as to the present price relationship between durum and bread wheats.

They need not have bothered making an announcement, because what happened was that there was no premium on durum wheat. There is no premium at the present time. Before these controls went into effect, durum wheat averaged a premium of from eight to ten cents a bushel, sometimes running up to fifteen cents. Now, as hon. members know, those wheats are used to make macaroni, and the alphabets which are put in alphabet soup. The producer enjoys no premium on that production at all. In other words, it is just another crack at the farm producer, another penalty under which he suffers.

I should like to say something about beef prices. In my opinion, prices received for beef on the hoof have not increased to anything like the extent to which retail prices have been allowed to increase. In other words, there is not a good relationship. In this connection the Minister of Agriculture (Mr. Gardiner) is reported as follows at page 1247 of *Hansard*:

In 1941 the price of steak was 48 cents a pound or some price related to that, and cattle were selling at around nine cents a pound.

The best that can be said about that statement is that it is half right. The latter part of it is right. Cattle were selling at nine cents a pound.

Mr. GARDINER: And beef steaks at forty eight cents.

Mr. HARKNESS: The minister was misinformed when he said that beef steaks were selling at forty eight cents a pound. I have

here a copy of the Winnipeg *Free Press* of October 20, 1941. Hon. members will see why I have saved it. It was the issue announcing the fixing of wage and price ceilings.

Mr. GARDINER: The price is written right into the controls. The hon. member does not need to have the *Free Press;* it is right in the controls.

Mr. HARKNESS: In this issue is an advertisement of the Hudson's Bay company and, among other things, meat prices are listed. It states that, on a cash and carry basis, sirloin steaks were to be sold at twenty seven cents a pound.

Mr. GARDINER: What is the date of that paper?

Mr. HARKNESS: October 20, 1941, the very day on which these price ceilings were announced.

Mr. GARDINER: What was porterhouse steak?

Mr. HARKNESS: Porterhouse steak was not listed there. I shall give some further figures.

Mr. GARDINER: There are a lot of steaks, you know.

Mr. HARKNESS: Lamb chops, twenty two cents a pound.

Mr. GARDINER: With the bone in, or the bone out?

An hon. MEMBER: Never mind the bone.

Mr. HARKNESS: Here is one the minister need not worry about; boneless stewing beef, sixteen cents a pound, cash and carry; seventeen cents delivered.

Mr. GARDINER: That is the lowest.

Mr. HARKNESS: No, that is not the lowest. Brisket of beef is eleven cents; shoulder of boiling beef, eleven cents; chuck roast of beef fifteen cents; shoulder roast of beef seventeen cents; prime rib roast of beef twenty three cents; wieners twenty cents.

Mr. GARDINER: If the hon. member will permit, just to have the record clear may I say my statement was to the effect that prices of beef in 1941 were approximately the same as prices in 1928, and that prices of cattle in 1928 were very much higher than prices of cattle in 1941. Now, with prices of beef only slightly up, prices of cattle are back to about where they were in 1928.

Mr. HARKNESS: I may be a little dense, but to me the minister's statement is unintelligible.

Mr. GARDINER: Read it in *Hansard* tomorrow and you will understand it.

Mr. HARKNESS: The minister says prices of beef are slightly up. I have read the prices of beef as advertised in the *Free Press* on that date.

Mr. GARDINER: And I again submit that the official prices are those which should be quoted.

Mr. HARKNESS: All anyone has to do is to look at the prices in any paper to-day.

Mr. GARDINER: Is the hon. member to be permitted to read—

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: The minister may speak, with the permission of the hon. member who has the floor.

Mr. GARDINER: The prices I quoted were actual prices set by the board. It is not necessary to take *Free Press* prices for things that are not comparable. The prices are those set by the prices board in 1941, and there have not been any great increases from 1941 to the present time in those prices. Those are all official, and can be obtained.

Mr. HARKNESS: This paper is October 20, 1941. I do not think there is any need to read again the minister's statement in *Hansard,* but he said that in 1921 steak was selling at 48 cents a pound. I have just given a list of prices taken from the *Free Press,* and I have a few prices of other items at the present time: porterhouse roast, sirloin tip or wing roast, 47-49 cents per pound; rump roast, round steak, 42-46 cents per pound; sausage, breakfast style, 28-30 cents per pound; boneless stewing beef, 18-20 cents per pound. The same Winnipeg paper gives the quotations for cattle, which show that top beef ranged from $8.50 to $9 per 100 pounds at Winnipeg in 1941 when steak was selling at 27 cents per pound. The last market report I have is for May 9, which gives prices of better steers at Winnipeg as ranging from $12.50 to $12.75 per 100 pounds. Most items of meat in the retail stores have risen in price from 50 to over 100 per cent between that time and the present.

Mr. GARDINER: That is absolutely incorrect.

Mr. HARKNESS: During the same time beef prices have risen from $9 to $12.50.

Mr. GARDINER: The hon. member is quoting porterhouse steak—

Mr. HARKNESS: If the minister wishes to ask a question, I will sit down and he can ask it. If he has not a question, I ask him respectfully to keep quiet.

Mr. GARDINER: I will ask it.

Mr. DEPUTY SPEAKER: The hon. member for Calgary East has invited the question.

Mr. GARDINER: I ask my hon. friend—

Mr. HARKNESS: I did not invite a question. I said if the minister wanted to ask a question he should indicate that and not be constantly interrupting.

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

Mr. HARKNESS: I want to finish what I have to say. Briefly, the situation is that the retail price of meats has gone up from 50 to over 100 per cent, while the price of live cattle has risen from $8.50 and $9 per 100 pounds to $12 and $12.50, or approximately 35 per cent. Prices of cattle on the hoof have not gone up like prices of meat in the shops. If the minister wishes to ask a question I shall be delighted to try to answer it.

Mr. GARDINER: Was the hon. member not comparing sirloin steak with porterhouse steak?

Mr. HARKNESS: Porterhouse steak would perhaps be worth five cents per pound more.

Mr. GARDINER: Porterhouse steak is worth much more.

Mr. HARKNESS: The minister is trying to labour the point and crawl out from under the remark he made in *Hansard*.

Mr. GARDINER: I am sticking right with the remark.

Mr. HARKNESS: The proposition gets down to this. The meat producer is being called upon to subsidize the general consuming public just the same as the wheat producer is being called upon to subsidize that public as well as overseas markets. I think that is a just statement to make. The proposition that the government price control policy has placed a heavy burden on the western farmer has been adequately proved, not just by what I have had to say but by what other hon. members have said in this house from time to time. I do not think there is any doubt that the government price control policy will have the result of reducing production.

There is no use in blinking our eyes at that or trying to throw up a smoke-screen. It is being said it is disgraceful that the farmers should be carrying on a sit-down strike, but I think we may as well admit that if the farmer or anyone else cannot get a fair return for his labour he will not try to put his product on the market if he can avoid doing so. In view of the unfairness to the western farmer, I feel I must call upon the government to raise the ceilings on agricultural products if they will not abolish them altogether. If it is desired that our own people shall be able to buy bread cheaply; if it is desired that the people in the overseas countries shall be able to do the same thing, then the cost of the necessary subsidies should be borne by the country as a whole and not be placed upon the shoulders of the western farmer.

On motion of Mr. Harkness the debate was adjourned.

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

Thursday, May 16, 1946.

The house met at three o'clock.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 82, to incorporate the Executive Board of the Church of the Nazarene.—Mr. Warren.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

FISHING VESSELS AND FISH DRAGGERS—SUBSIDIES

Mr. FRASER:

To what firms, or individuals, did the Department of Fisheries pay subsidies regarding the construction of packer-seiner type fishing vessels and fish draggers, during 1945-1946?

Mr. BERTRAND (Laurier):

Packer-Seiner type: Brooks Bay Packing Co., Vancouver, B.C.; Nicolai Jurinicich, Vancouver, B.C.

Dragger type: W. B. Moriarity Co. Ltd., Halifax, N.S.; Halifax Fisheries Ltd., Halifax, N.S.; Lunenburg Sea Products, Lunenburg, N.S.

MAGNESIUM

Mr. CASTLEDEN:

1. What quantity of magnesium products was produced by the Dominion Magnesium plant at Haley's Corners during 1944 and 1945?

2. What was the total amount of money paid to Dominion Magnesium for the management and operation of this plant?

3. What was the cost to the dominion government of setting up this plant?

4. What was the price at which this plant was sold to Dominion Magnesium Limited, Toronto?

5. How was the price arrived at?

Mr. McILRAITH:

1. 1944, 10,763,726 pounds; 1945, 7,798,205 pounds. (Of this latter amount, 3,948,204 pounds were produced by the company for its own account.)

2. Nil. The company agreed to manage and operate the plant until the cessation of hostilities without fee or profit.

3. $3,464,102.15.

4. $1,400,000.

5. The lack of an assured peace-time market for the product, the need for a capital outlay in excess of half a million dollars on the part of the purchaser for modification and improvements, heavy depreciation because of the character of the process and a reasonable write-off for high war-time construction costs were factors taken into account in determining the selling price.

WAR ASSETS—MATERIALS OR EQUIPMENT FOR MUNICIPALITIES

Mr. CASTLEDEN:

1. How many municipalities have applied to Crown Assets Allocation and War Assets Corporation for materials or equipment as of April 1, 1946?

2. How many of these have had their applications met by War Assets Corporation?

Mr. McILRAITH:

1. 1,639.

2. The priorities division, head office, War Assets Corporation, has filled 103 of these applications in full and 350 in part. In addition, many of these municipalities have had their applications met from branch offices of the corporation across Canada. The branch offices are not required to notify the priorities division of the corporation of these sales. Furthermore, in regard to the sale of certain surplus properties, such as real estate, the appropriate sales division at the Montreal head office of the corporation deals directly with the municipality without notification to the priorities division. It is therefore impossible to give a precise answer to this question.

WAR ASSETS—WINDSOR, N.S., TRANSIT CAMP

Mr. CASTLEDEN:

1. Upon what date was the Windsor Transit Camp at Windsor, Nova Scotia, declared surplus?

2. Were electric motors, heating units, plumbing fittings and fixtures, and buildings from this camp disposed of? If so, to what persons or organizations?

3. Did other persons, firms or organizations in the Windsor district make application to purchase these materials and buildings?

4. If so, were they given an opportunity to purchase them at the same price at which they were finally disposed of?

Mr. McILRAITH:

1. January 26, 1946.

2. Yes. The dominion government, Department of Labour, obtained the majority of the buildings, with services for the training of veterans under the Canadian vocational training programme.

3. Yes.

4. No sales other than that mentioned in No. 2 above have been made to date. Other individuals were not given an opportunity to purchase, because the application of the Department of Labour for training of veterans carried a higher priority than applications from the general public. Disposal of the remaining surpluses will be made in accordance with the established priority policy of War Assests Corporation.

VICTORY BONDS HELD BY CHARTERED BANKS

Mr. JOHNSTON:

1. What is the total amount of victory bonds held by the chartered banks of Canada?

2. What is the yearly amount of interest paid to the chartered banks in this connection?

Mr. MAYHEW:

1. Information as to holdings of particular dominion government issues is not of government record as a large proportion of each issue is in bearer form. In addition the monthly return of liabilities and assets of the chartered banks of Canada made to the Minister of Finance pursuant to section 112 of the Bank Act gives figures of total holdings of dominion government direct and guaranteed securities maturing within two years and other dominion government direct and guaranteed securities and does not segregate holdings of these two types of securities.

2. Answered by No. 1.

UNEMPLOYMENT INSURANCE

Mr. MacINNIS:

1. How many persons were receiving unemployment insurance benefits as at January 31, 1946?

2. What were the new claims for each month, February, March and April, 1946?

3. How many persons were receiving unemployment insurance benefits as at April 30, 1946?

Mr. MITCHELL:

1. 145,952.

2. February, 1946, 53,331; March, 1946, 49,467; April, 1946, not available.

3. April 1946, figures are not available. At March 31, 1946, the number receiving unemployment insurance benefits was 154,820.

Mr. MacINNIS:

1. What was the total amount in the Unemployment Insurance Fund as at December 31, 1945?

2. How much was put into the fund for the first four months of 1946 by (a) employers; (b) employees; (c) government?

3. What was the amount paid out in benefits during the first four months of 1946?

4. What was the amount of the fund as of April 30, 1946?

Mr. MITCHELL:

1. $315,937,572.37.

2. These figures are for the first three months of 1946 only; April figures not available. (a) $7,366,543.21; (b) $8,752,807.37; (c) $3,223,870.12.

3. This figure for first three months of 1946 only: $17,595,590.51.

4. $319,369,134.33. (Of this amount $1,683,931.77 is interest.) This figure to March 31, 1946, only.

CARWAY, ALTA., CUSTOMS ENTRIES

Mr. HANSELL:

1. What was the number of entries registered through the customs port at Carway, Alberta, for the years 1930 to the present time?

2. What was the number of exits through this port for the years 1930 to the present time?

Mr. McCANN:

1.

Year	Number of Import entries
1930 to 1937	Not available
1938	131
1939	142
1940	264
1941	147
1942	61
1943	85
1944	73
1945	51

2.

Year	Number of Export entries
1930 to 1937	Not available
1938	93
1939	58
1940	66
1941	53
1942	53
1943	56
1944	28
1945	25

[Mr. Mitchell.]

CHIEF MOUNTAIN WATERTON HIGHWAY, ALTA., CUSTOMS PORT

Mr. HANSELL:

1. Is the customs port on the Chief Mountain Waterton highway in Alberta open at the present time? If not, when was it closed?

2. What was the number of entries registered through this port for each of the years 1930 to the present time?

3. What was the number of exits through this port for each of the years 1930 to the present time?

Mr. McCANN:

1. No. September 15, 1943.

2.

Year	Number of Import entries
1930 to 1937	Not available
1938	50
1939	88
1940	272
1941	122
1942	50
1943	12
1944	13

3.

Year	Number of Export entries
1930 to 1937	Not available
1938	3
1939	1
1940	0
1941	3
1942	2
1943	0
1944	0

PRISONERS OF WAR ON FARMS

Mr. BOUCHER:

1. What salary, wages or other compensation are farmers required to pay for the services of prisoners of war working on farms?

2. How much of such compensation is payable directly to the prisoner by his employer?

3. How much of such compensation is held back for the credit of the prisoner of war to be given him at a later date?

4. When is such hold-back given to the prisoner of war?

Mr. MITCHELL:

1. At present time $50 per month plus board and lodging, or $1.75 per day for broken periods of less than one month's employment plus board and lodging, payable to the Department of Labour. This rate has been established in Ontario, with the approval of the dominion-provincial farm labour committee, and is also in effect in other provinces.

2 and 3. The Department of Labour pays prisoners of war at the rate of 50 cents per working day. This amount is credited to the prisoner's individual account, which is carried

by the Department of National Defence, less such portion thereof as is spent by the prisoner on purchase of canteen supplies.

4. By transfer of funds upon evacuation from Canada.

GENTLEMAN USHER OF THE BLACK ROD

Mr. DROPE:

Who is the present holder of the position, Gentleman Usher of the Black Rod?

Mr. ILSLEY: The position has been vacant since 1st of April, 1946.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SOLDIER SETTLEMENT—ADJUSTMENT OF DEBTS

Mr. QUELCH:

1. How many of the 3,800 soldier settlers classified in grades 3 and 4 as at March 31, 1942, have had their debts adjusted under P.C. 10472?
2. How many of the above failed to make an application under this order?
3. How many of those, whose debts were adjusted, had their debts reduced to the point where they had an equity in their land of (a) over 30 per cent; (b) over 15 per cent; (c) under 15 per cent, based upon 1941-42 values?

GOVERNMENT PROPERTY DESTROYED BY FIRE

Mr. WEBB:

1. What was the total value of government property destroyed by fire in the following years: 1939, 1940, 1941, 1942, 1943, 1944, 1945?
2. How were these losses divided as to (a) army; (b) navy; (c) air force; (d) crown companies; (e) property owned by the crown in the custody of others; (f) other government property?
3. Were they covered by insurance?
4. If so, what were the total recoveries made from insurers?

PENITENTIARIES

Mr. WINKLER:

1. What is the daily cost per inmate to the state in each of the penitentiaries in Canada, and how does this figure compare with twenty years ago?
2. Of total inmates, what percentage are repeaters?
3. How does this percentage compare with the figures of recent years, since world war 1?
4. What gratuities are awarded long-termers, say of five years or more, upon discharge? Is it an increase over that of twenty years ago?

INFRACTIONS OF SUGAR RATIONING REGULATIONS

Mr. GINGUES:

1. From February 1, 1942, to date, how many industrial users of sugar have been convicted of infractions of the sugar rationing regulations in each province?
2. What are their names and addresses?
3. What was the court sentence in each case?
4. What fines were imposed?
5. Were business operations of such violators suspended?
6. If so, for what number of days in each case?

VETERANS LAND ACT INSURANCE FUND

Mr. MARSHALL:

1. When and by what authority was the Veterans Land Act Insurance Fund set up?
2. Who administers this fund and what staff is employed?
3. What is the annual premium rate and how was it fixed?
4. How many applications for insurance have been received since the commencement of operation?
5. How do the rates compare with those of line companies insuring similar risks?
6. How many claims have been made and what is the ratio between insurance placed and losses sustained?

FOOD

CONDITIONS IN EUROPE—CANADIAN ASSISTANCE

On the orders of the day:

Mr. ALISTAIR STEWART (Winnipeg North): In view of the widespread starvation in Europe will the Acting Prime Minister tell the house what further steps the government intends to take to avert needless human suffering caused by lack of food in Europe?

Right Hon. J. L. ILSLEY (Acting Prime Minister): The Canadian government has made it clear on a number of occasions that it recognizes the urgency of the food situation in Europe and Asia and that it is prepared to cooperate, and is cooperating, with the United Kingdom, the United States and other nations in making additional food available for shipment abroad. Without in any way detracting from the efforts of other countries, I think it is recognized that the people of Canada have made and are making a notable contribution to the relief of hunger and starvation the world over. The question asked by my hon. friend relates to the further steps the government intends to take. My answer can only be this: that the Canadian government intends to continue its present policy of cooperation with other governments in providing food so that hunger and starvation will be minimized if they cannot be averted. If this cooperation involves measures in addition to those already taken, they will be announced in due course.

WHEAT

PAYMENT ON 1943 WHEAT PARTICIPATION CERTIFICATES

On the orders of the day:

Mr. J. A. ROSS (Souris): I should like to direct a question to the Minister of Trade and Commerce. Will the minister say when payments on the 1943 wheat participation certificates will be made, and what amount per bushel will be paid on the different grades?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): A short time ago I announced in the house that the payments on the 1943 wheat participation certificates would be made early in June. So far as I know the board is hoping to be able, and feel confident they will be, to start the issuing of cheques on the 1943 wheat participation certificates in June. I should like to say to the hon. member for Souris that it is just a matter of being able to get the cheques out. The accounting has all been done; it is just a matter of doing the physical work of issuing the cheques, and they will be issued as quickly as possible.

Mr. ROSS (Souris): What about the amount of payment?

Mr. MacKINNON: It is impossible for me to say in advance of the issuing of the payments what the amounts of each payment will be.

RADIO BROADCASTING

REQUEST FOR REVIEW OF ANSWERS GIVEN TO QUESTIONS ON MAY 15

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Yesterday the Minister of National Revenue answered two questions of mine—*Hansard,* page 1546—that were on the order paper, but the answers do not give the information that is asked for in the question. I therefore should like to ask the minister if he would review the questions again and give full information asked for. One question was:

What is the Canadian Broadcasting Corporation's share of the cost of producing and broadcasting the "Johnny Home Show?"

In his answer the minister said that there had been no cost to the Canadian Broadcasting Corporation in producing and broadcasting the "Johnny Home Show."

Mr. SPEAKER: Order.

Mr. FRASER: He added that the Canadian Broadcasting Corporation—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The question is a lengthy one; I suggest to the hon. member that he put it on the order paper.

Mr. FRASER: I had it on the order paper. I asked what the costs were and the minister said that the Canadian Broadcasting Corporation supplies part of the time of a staff producer, and station and network facilities. The answer did not give me the cost, and that is what I asked for. I should like to ask the minister if he will review that question, and the other question which was asked regarding the broadcast "The People Ask", and give me the cost which I asked for.

Hon. J. J. McCANN (Minister of National Revenue): I shall be very glad to have the answers reviewed.

LABOUR CONDITIONS

REPRESENTATION OF EMPLOYERS AT CLEVELAND MEETING OF INTERNATIONAL LABOUR ORGANIZATION

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to direct a question to the Minister of Labour. Did the government invite Canadian employers to send representatives to the recent conference held at Cleveland, U.S.A., under the auspices of the international labour organization? Was the invitation accepted? If not, what reason was given by employers for their non-participation?

Hon. HUMPHREY MITCHELL (Minister of Labour): The Department of Labour did invite employers to send representatives to the international labour organization meeting referred to by my hon. friend, and it was agreed that they would nominate representatives to attend. But later we were informed that it was found impossible to find men who had sufficient knowledge of the questions which would arise who would leave their business to attend this particular conference. Two representatives of the employers did attend the second conference.

INTERNATIONAL AGREEMENTS

EXTRADITION TREATY WITH UNITED STATES

On the orders of the day:

Mr. JOHN T. HACKETT (Stanstead): I should like to direct a question to the Minister of Justice. As Acting Secretary of State for External Affairs can he say what action the government has taken on the extradition treaty with the United States and the report that was made on it by the committee on external affairs last session.

Right Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): After the report of the special committee on external affairs was tabled in this house negotiations were resumed with the United States authorities on the extradition treaty and protocol, and these negotiations are still proceeding.

CANADIAN CITIZENSHIP

NATIONALITY, NATURALIZATION AND STATUS OF ALIENS

Hon. PAUL MARTIN (Secretary of State) moved the third reading of bill No. 7, respecting citizenship, nationality and naturalization and status of aliens.

Mr. J. G. DIEFENBAKER (Lake Centre): Before the motion is put there are two or three observations I should like to make in regard to the meaning of citizenship. Speaking to the amendment which I moved in committee on May 7, I said, as reported at page 1300 of *Hansard*:

> This amendment is not meant to be all-exclusive, nor is it meant to be all-inclusive. My first suggestion is that if the Secretary of State accepts the principle of the need in this country of a bill of rights signifying what citizenship stands for, then possibly the best means whereby that result could be effected would be to set up a committee of the house. It would not take very long for that committee to meet and it would afford an opportunity to exchange ideas among the various groups in the house and thereby evolve a bill of rights which would be acceptable to all, and one which would carry into effect the highest principles of citizenship.

I think I can safely say that in the course of the discussion on the amendment there was almost unanimity, as close an approach to it as can ever be expected in a representative institution, on the need of a bill of rights. One hon. member after another rose in his place in the house in support of the principles embodied in the amendment which I introduced. Some hon. members took the stand that it was too much circumscribed, and that in any event it could not possibly be comprised in the few words which I used in the amendment. I wonder, Mr. Speaker, if I could have order. I cannot compete with what goes on behind the curtains.

I was saying that there was general unanimity on the need of a bill of rights, but there was also fairly strong opinion expressed by the hon. members immediately to my left, by hon. members of the Social Credit party and others, that a bill of rights, to be effective, must comprise more than what was confined within the ambit of my amendment. Finally the government, represented by the president of the privy council, placed this view before the house. The hon. member for Vancouver Centre (Mr. Mackenzie) dealt with the whole question of rights, freedoms and privileges. As reported at page 1477 of *Hansard* he said:

> The hon. member for Lake Centre and I are very close together in this thing, but I suggest to him to-night that this is far greater than this trivial and piffling amendment dealing with three simple rights among a multitude of rights . . .
>
> Why cannot we in this parliament get together on this issue? Why cannot all parties form a committee to consider these things apart altogether from this bill? If necessary that committee could call in advisers from the various provinces.
>
> Mr. Diefenbaker: Is that not what I suggested?
>
> Mr. Mackenzie: It is not what this piffling amendment says at all, and that is why I say we cannot support the amendment.

The minister joined with me and said there was very little difference between us. Apparently the only point of divergence was as to the method of operation. I can say that there was never any disagreement between us because I said the same thing as he said in my opening paragraph when I introduced the amendment. I suggest, therefore, that, being in entire agreement with my hon. friend and with those who have expressed themselves on this question—the leader of the C.C.F. party, the leader of the Social Credit party and others—now is the time for us to make a declaration that a bill of rights shall be brought into this parliament which will assure that what we all desire in this regard shall be now determined and declared.

Section 27 of the bill as passed reads as follows:

> A Canadian citizen other than a natural-born Canadian citizen shall, subject to the provisions of this act, be entitled to all rights, powers and privileges and be subject to all obligations, duties and liabilities to which a natural-born Canadian citizen is entitled or subject and, on and after becoming a Canadian citizen, shall, subject to the provisions of this act, have a like status to that of a natural-born Canadian citizen.

There were those who raised the objection that the amendment did not go far enough; that it did not comprise citizenship of those who were Canadians by birth. I believe it was the hon. member for Vancouver East (Mr. MacInnis) who raised that point, and it was an effective one. I could not but fail to accept it, because after all, what we are trying to do here is to get a bill of rights which will be the epitome of the wishes of all hon. members of the house. The section says:

> . . . a Canadian citizen, shall, subject to the provisions of this act, have a like status to that of a natural-born Canadian citizen.

I know of no other section which would permit of a definition of the rights of citizenship. Having regard to the measure of agreement that there is amongst us, and answering the appeal made by the minister in which he asked us all to get together, I wish to move, seconded by the hon. member for Peel (Mr. Graydon):

> That the said bill be not now read a third time but that it be referred back to the committee of the whole with instructions that they have power to amend it as follows:

1. By adding subsection 2 to section 27 as follows:

"27 (2) That when this act comes into force, if parliament be then sitting or if parliament be not then sitting within ten days after the next session begins, the question of adopting a bill of rights, so as to assure the maintenance and preservation of democratic and traditional processes of liberty and of equality under the law of all Canadian citizens without regard to race, creed or colour, shall be submitted to the House of Commons in a resolution to be considered in a select committee properly representative of the entire population of Canada."

Sir, by this amendment the views of all hon. members on all sides of the house will have an opportunity for expression. Out of that common expression and common cooperation —because after all this matter is above partisan consideration—there will come a declaration that will assure the preservation of democratic rights and ensure that in the years to come men and women, Canadians all, will be able to look back and say: These are our rights; no longer are they nebulous; no longer do they consist only in tradition and in precedent. They have been epitomized by parliament.

Mr. MACKENZIE: Mr. Speaker, I rise to a point of order. I do not at this time propose to discuss the merits or demerits of the suggestion made by the hon. member for Lake Centre (Mr. Diefenbaker). I desire only to refer Your Honour to the obvious rules of the house. In doing so I would refer Your Honour to paragraph 710 of Beauchesne's Parliamentary Rules and Forms, at page 238. I quote:

All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

That is taken from May at page 421. Then, again, quoting paragraph 712 in the same volume:

On the third reading of a bill to amend the Bank of Canada Act—

Most of us were in the house at that time.

—an amendment was moved that the bill be not now read a third time because it does not provide for complete government ownership of the Bank of Canada. This amendment involved the main subject matter dealt with in the bill. The Speaker ruled it out of order on the ground that it was an expanded negative.

And thirdly, at paragraph 713 in the same volume:

On the motion for the third reading of a bill to incorporate the Bank of Canada, an amendment that the bill be referred back to the committee of the whole, with instruction that they have power to amend same so as to safeguard the sovereignty of parliament over Canada's financial policy, was ruled out of order for the following reasons: "The amendment is irrelevant."

I submit that this amendment is irrelevant to any of the essential principles of the bill. The paragraph continues:

"The sovereignty of parliament cannot be affected by the passage of a bill in this house. The sovereignty of parliament is created and defined by the British North America Act, Section 91 of which states that it shall be lawful for the parliament of Canada to make laws in relation to all matters, except those assigned to provincial legislatures and, inter alia, subjects enumerated therein, including banking, incorporation of banks and the issue of paper money. The sovereignty of parliament can only be affected by an amendment to the British North America Act."

This is the most decisive citation, where a Speaker's decision is approved by the House of Commons. It was moved that the bill be not now read a third time but that all the words after "that" be struck out, and the following substituted therefor:

"The bill be referred back to the committee of the whole with the request—

Note those words, "with the request."

—that the government consider ways and means of providing compensation—

And so on. Then it continues:

Mr. Speaker ruled the proposed amendment out of order on the ground that a bill may be referred back with instruction either that the committee have power to amend it in certain particulars or for further consideration; it cannot be referred back—

These are the words upon which I base my contention—

It cannot be referred back with the request that certain matters be considered by the government.

That was a decision of a Speaker, upheld by the House of Commons. The same principle is now involved in the amendment now offered by the hon. member.

Again at page 503 of the same volume:

On the motion for third reading: (a) Amendment proposing to refer a bill back to the committee of the whole with instruction to amend it so as to safeguard the sovereignty of parliament is out of order.

As I said before, speaking with the consent of such of my colleagues as were present, I made certain declarations the other evening. The hon. member for Lake Centre is now endeavouring to anticipate, by way of direction, the policy of the administration and government of Canada by forcing it into a position where it does not belong. I suggest that the hon. member's amendment is entirely out of order.

Mr. STIRLING: Mr. Speaker, it appears to me that an examination of the precedents put before Your Honour by the leader of the house will show that they are not analogous to this situation. It would appear to me that an amendment to the motion for third reading is in the same category as an amendment to second reading, provided it does not introduce a new subject. That makes this amendment clearly in order, because it introduces no new subject. Section 27 of the bill deals with the rights and obligations of Canadian citizens. The proposition is not that any direction should be given to the government of the day with regard to what it should do or what it should not do, but rather that an opportunity be given parliament and the House of Commons to discuss the reason why, in the opinion of so many people, it is necessary that a bill of rights be considered by parliament.

I suggest that the amendment by no means introduces a new matter of business; it does not bring in any new subject. It deals with a subject already dealt with in section 27 of the bill. For these reasons I suggest the amendment is in order.

Mr. COLDWELL: Mr. Speaker, may I have a word on the point of order? I am referring to standing order 77, and citations 813 and following. That paragraph or citation states:

> When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular.

It seems to me that the house always has authority to govern its own procedure. The fact that rulings of Speakers in different parliaments from time to time have been upheld by those parliaments should not bind subsequent parliaments for ever. We now have before us an amendment to the third reading of the bill which purports to give to the house what most hon. members desired when the bill was in committee. It seems to me that, despite the rulings of former Speakers, upheld by former parliaments, this is a new parliament, and as such it has the right to make decisions as to its own rules and their interpretation. We should not be for ever bound by decisions made in the past.

I submit respectfully that a ruling of this description should not be invoked to prevent a member from bringing before the House of Commons on third reading something which many hon. members desired when the bill was in committee.

Mr. MACKENZIE: We voted on it.

Mr. COLDWELL: I suggest to Your Honour that the amendment of the hon. member for Lake Centre should be declared in order.

Mr. ST. LAURENT: Mr. Speaker, I do not wish to dispute the wisdom or otherwise of the suggestion made by the hon. member for Rosetown-Biggar (Mr. Coldwell) to the effect that this parliament should not feel bound by decisions rendered by Speakers in former parliaments, and upheld by those former parliaments. Be that as it may, the practice of paying some respect to judicial and parliamentary precedents is worthy of consideration. But on the merits of the question I would submit that, in the absence of any precedent, an amendment such as this could not be properly introduced and appended to a bill.

The bill deals with the right of citizenship, and is intended to provide permanent legislation. This would constitute an attempt, by way of amendment to a bill intended to be permanent legislation, to provide a direction as to what shall be done by somebody not named in the amendment, at this or at some other session of parliament.

Let us examine the terms of the amendment. It says:

> By adding subsection 2 to section 27 as follows: "27 (2) That when this act comes into force, if parliament be then sitting or if parliament be then not sitting within ten days after the next session begins, the question of adopting a bill of rights, so as to assure the maintenance and preservation of democratic and traditional processes of liberty and of equality under the law of all Canadian citizens without regard to race, creed or colour, shall be submitted to the House of Commons in a resolution to be considered in a select committee properly representative of the entire population of Canada."

What has all that to do with the permanent provisions of the citizenship bill? The hon. member for Yale (Mr. Stirling) has argued that this does not give a direction to the government, that it does not deal with a sovereign power of parliament. That is one of the objections to it. It says that certain things shall be done, but it does not indicate who is to do them, or who is to take any responsibility for doing them. It would provide for the consideration of a bill of rights "so as to assure" and so on; that certain things "shall be submitted to the House of Commons". By whom? Are they to be submitted by the hon. member for Lake Centre? Are they to be submitted by Mr. Speaker, or by the government, or by whom? And this is to be "in a resolution to be considered in a select committee". Who is to introduce that resolution?

What possible sanction could there be for a provision for this kind in the bill? What can it be, other than a pious hope that there may be another opportunity to discuss this matter of civil rights at this session, and at this time?

On a motion for second reading of a bill something other than second reading may be recommended in an amendment. On a motion for second reading it may be said that, instead of reading the bill, the house should do something else. But when the motion for third reading comes up, it is all or nothing. That is the only question before the house. It can go back to the committee for some amendment to the bill, but it cannot go back to the committee for the house to take some other kind of action.

The only matter which at this stage of the procedure is open for discussion is whether this bill, with or without further amendments which might affect its provision for permanent legislation, be passed. I submit that it would be a very dangerous practice if parliament at one session were to determine, by legislation to be considered in the other place and to be sanctioned by the crown, what parliament should do at some other time. The right of parliament to exercise its sovereign powers exists continuously, and I submit that it is not in order to add to legislation of this kind or any kind a direction as to what parliament shall do at some future date if it happens to be in session when that piece of legislation comes into force, or what it shall do at another session if it is not in session when the legislation comes into force; and that is what the terms of this amendment provide for, without indicating upon whom any duty is cast by the provision itself.

Mr. DIEFENBAKER: The arguments advanced by the Minister of Justice (Mr. St. Laurent) have, I submit, little to do with the question whether this amendment is in order. They have rather to do with the criticism he offers of the meaning and purport of the amendment. I refer Your Honour to section 708 of Beauchesne, third edition, 1943:

> When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular.

There are various forms in which that amendment may be made. The form I followed was taken from this book, and is to be found in general at pages 337 and following.

The hon. member for Vancouver Centre (Mr. Mackenzie) said that the amendment introduced a new subject. My submission is that it introduces no new subject. Section 27 provides that Canadian citizens shall be entitled to certain rights, powers and privileges. The amendment is to define what those rights, powers and privileges are. I submit that section 713 of Beauchesne, to which the hon. member for Vancouver Centre referred, has no relevance whatever to the case before us. Section 713 states that an amendment was ruled out on the ground that it was irrelevant in that it affected the sovereignty of parliament. I submit that this amendment is relevant because it refers to the question of rights, duties, obligations and privileges, and in no way interferes with the sovereignty of parliament.

For these reasons I ask Your Honour to uphold my right to move the amendment.

Mr. BLACK (Yukon): I think it goes without saying that any member of the house has the right to move that a bill be not now read a third time but that it be referred back to the committee. We are all agreed that that is in order; any hon. member has the right to do that. If the resolution carries, and it is subject to the vote of the house—and unless the majority of the members want it referred back to the committee it will not go to the committee—third reading will be given the bill and it will be passed. This is a motion not to give third reading but to refer it back to the committee of the whole, with instructions, not to do certain things, but that they have power to amend it as follows. They may not choose to follow those instructions at all; this only gives them the power to do so, and it would be entirely optional with them whether they did so or not. It seems to me that the only question before the house is whether this resolution is in order, that the bill be not now read a third time but that it be referred back to the committee.

Mr. MACKENZIE: May I, on the point of order, with the permission of the house, quote a former Speaker of the house, the Hon. George Black, member for Yukon—Beauchesne, page 497:

> On the motion for third reading, an amendment cannot be moved that the bill be referred back to the committee of the whole with the request that certain matters be considered by the government.

Mr. BLACK (Yukon): With all due deference, what the minister has quoted is not in point at all. That was an amendment to refer back with the request that certain matters be dealt with or considered by the government. That has no relevancy to this motion.

Mr. TUCKER: I submit, Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. TUCKER: I am entitled to give my views on this matter. Surely the day has not come when only certain people approved by the opposition may rise to speak in this parliament.

I submit that any amendment must be relevant to the purpose of the bill, and certainly the purpose of this bill being to set up the status of citizenship and so on, an amendment which says that somebody unnamed shall lay before the house the question of adopting a bill of rights has nothing to do with establishing citizenship. It is irrelevant. An amendment to the bill on third reading must be relevant to the purposes of the bill. I would just like to show what would be the effect of this section if it were passed. It would read that, when it comes into force, as soon as it receives royal assent, and parliament, I assume, being in session, ". . . the question of adopting a bill of rights, so as to assure the maintenance and preservation of democratic and traditional processes of liberty and of equality under the law of all Canadian citizens without regard to race, creed or colour, shall be submitted to the House of Commons in a resolution to be considered in a select committee properly representative of the entire population of Canada." Shall be submitted by whom? What does it mean? Is it to be submitted by the government, by some private member, by some body in Canada? Surely if this parliament is to speak, it should speak with certainty, so that we may know what we are doing. Surely if we adopt an amendment such as this, we shall make ourselves ridiculous. If we passed it, it would not mean anything.

To summarize, in the first place an amendment should be certain as to its effect. It should be relevant. In the next place I submit to Your Honour for your further consideration that Beauchesne, paragraph 357, lays this down:

> Mr. Speaker Sproule on the thirteenth February, 1913, decided that a proposed amendment which was substantially the same motion as the member had moved on the address in reply to the speech from the throne, was not in order because "a motion must not raise a question substantially identical with one on which the house has given a decision in the same session."

I submit that this amendment of the hon. member for Lake Centre is in substantially the same terms as have already been moved in debate on this bill and negatived by the house. The rule against repetitious amendments is applicable to this amendment, which I submit is out of order on that ground also.

Mr. SPEAKER: After listening to hon. members on both sides of the house my humble opinion is that the amendment is out of order. We have before us a motion for the third reading of bill No. 7, an act respecting citizenship, nationality, naturalization and status of aliens, and an amendment to that motion that the bill be referred back to committee of the whole "to assure the maintenance and preservation of democratic and traditional processes of liberty and of equality under the law of all Canadian citizens without regard to race, creed or colour," and that for that purpose a resolution shall be submitted to the House of Commons with a view to adopting a bill of rights. It is my opinion that the bill of rights is so important, as has been expressed by many members of the house, that it should be dealt with in a bill by itself. It is not relevant to the bill now before us for third reading, which is an act respecting citizenship, nationality, naturalization and the status of aliens, to determine what parliament should do on another occasion, and therefore I rule the amendment out of order.

Mr. DIEFENBAKER: Mr. Speaker, may I respectfully appeal from your decision?

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

YEAS

Messrs:

Abbott	Dubois
Archibald	Emmerson
Argue	Eudes
Baker	Farquhar
Belzile	Fournier (Hull)
Benidickson	Fournier (Maisonneuve-Rosemont)
Bentley	Gagnon
Bertrand (Laurier)	Gardiner
Bertrand (Prescott)	Gariépy
Bertrand (Terrebonne)	Gauthier (Nipissing)
Black (Chateauguay-Huntingdon)	Gauthier (Portneuf)
Blanchette	Gibson (Comox-Alberni)
Bourget	Gibson (Hamilton West)
Bowerman	Gillis
Bradette	Gingues
Brown	Gladstone
Bryce	Glen
Burton	Golding
Campbell	Gour (Russell)
Castleden	Gourd (Chapleau)
Chevrier	Grant
Cloutier	Hamel
Coldwell	Hansell
Coté (Matapedia-Matane)	Harris (Grey-Bruce)
Coté (St. Johns-Iberville-Napierville)	Healy
Croll	Herridge
Cruickshank	Hlynka
Dechene	Howe
Denis	Ilsley
Dion (Lake St. John-Roberval)	Irvine
Dionne (Beauce)	Isnor
	Jaenicke
	Jutras

Knight
Lacombe
LaCroix
Lafontaine
Lalonde
Langlois
Lapalme
Lapointe
Laurendeau
Lesage
McCann
McCuaig
McCulloch (Pictou)
McCullough (Assiniboia)
McGarry
McIlraith
MacInnis
McIvor
McKay
Mackenzie
MacKinnon
MacLean
Maloney
Marier
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Mayhew
Mitchell
Moore
Mullins
Mutch
Nicholson
Nixon
Pinard
Probe
Quelch
Raymond (Beauharnois-Laprairie)
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Robinson (Simcoe East)
St. Laurent
Sinclair (Ontario)
Smith (York North)
Stuart (Charlotte)
North)
Stewart (Winnipeg
Strum, Mrs.
Thatcher
Townley-Smith
Tremblay
Tucker
Viau
Warren
Weir
Winkler
Winters
Wright
Zaplitny—125.

NAYS

Messrs:

Aylesworth
Barrett
Black (Yukon)
Blair
Boucher
Bradshaw
Brooks
Cardiff
Case
Charlton
Drope
Fraser
Graydon
Green
Hackett
Hatfield
Henderson
Hodgson
Jackman
Kuhl
Lennard
Low
Macdonnell (Muskoka-Ontario)
MacNicol
Menary
Merritt
Murphy
Pearkes
Ross (Souris)
Senn
Skey
Smith (Calgary West)
Stephenson
Stirling
Stokes
Tustin
Webb
Wylie—38.

PAIRS

(The list of pairs is furnished by the chief whips).

Messrs:

King, Mackenzie
Beaudry
Breithaupt
Clark
McDonald (Parry Sound)
Michaud
Ross (Hamilton East)
Whitman
Kirk
Bracken
Adamson
Harris (Danforth)
Desmond
Daniel
Ferguson
Cockeram
Harkness
White (Hastings-Peterborough)

[Mr. Diefenbaker.]

Mr. DIEFENBAKER: I was paired with the hon. member for Winnipeg South Centre (Mr. Maybank). Had I voted, I would have voted against your ruling.

Mr. BEAUDOIN: I was paired with the hon. member for Eglinton (Mr. Fleming). Hal I voted I would have voted to sustain the ruling.

Mr. McCUBBIN: I was paired with the hon. member for Middlesex East (Mr. White). Had I voted I would have voted to sustain the ruling.

Mr. MacNAUGHT: I was paired with the hon. member for Elgin (Mr. Coyle). Had I voted I would have voted to sustain the ruling.

Mr. DOUGLAS: I was paired with the hon. member for Queens (Mr. McLure). Had I voted I would have voted to sustain the ruling.

Mr. ROSS (St. Paul's): I was paired with the hon. member for York-Sunbury (Mr. Bridges). Had I voted I would have voted against the ruling.

Mr. HAZEN: Mr. Speaker, I was paired with the hon. member for Verdun (Mr. Cote). Had I voted I would have voted to support your ruling.

Mr. BLACK (Cumberland): I was paired with the junior member for Halifax (Mr. Macdonald). Had I voted I would have voted against the ruling.

Mr. JOHNSTON: I was paired with the hon. member for Halton (Mr. Cleaver). Had I voted I would have voted against the ruling.

Mr. PICARD: I was paired with the hon. member for Grenville-Dundas (Mr. Casselman). Had I voted I would have voted for the ruling.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, the other evening I endeavoured without success to put forward an objection to one of the sections of the bill. The chairman came to the conclusion, and I have no quarrel with his decision, that it would be better to defer discussion until a more appropriate time.

This bill, which has occupied the attention of the house for some weeks, contains in reality two provisions. It enables a British subject possessed of all rights in Canada to call himself a Canadian citizen. But apart from that, if I fully understand the measure, it indicates that two classes of people shall be shorn of certain rights. The first class is

the British subject born outside Canada who comes to Canada; his case has been fully debated and decided. The other class, whose lot has not been discussed, is that of the alien woman who becomes a wife of a Canadian citizen. I suppose ninety-five per cent of those who will be affected by this measure live in the border constituencies. If I am correctly informed, the minister who has guided this bill through the house represents such a constituency. It is also my privilege to represent a border constituency. In my constituency, and I dare say in the constituency of the minister, cupid is frequently a trespasser. He frequently wanders beyond the confines of our native land, and he brings home rich treasure trove.

Why should the girl from Vermont who comes to a farm in Stanstead be denied the right of becoming by marriage a Canadian citizen? I asked the minister if there was any demand for this legislation. I asked also the reason for departing from a rule which is clear, well known, and embodied in the statutory law of all British countries for more than a hundred years.

Mr. MARTIN: No one is denied that right under this bill.

Mr. HACKETT: My hon. friend says that no woman is denied that right. Does the United States woman marrying a Canadian citizen become a Canadian citizen?

Mr. MARTIN: She can if she wants to. She has full control of her own status.

Mr. HACKETT: She can if she waits for five years, and if she is able to go to a court possibly a hundred miles from her home and there await the delays of justice in order that she may ultimately become naturalized. To-day, if the same girl marries the boy she may marry after this bill becomes law she becomes as of right and immediately a Canadian citizen.

Mr. MARTIN: Where does my hon. friend find anything in the bill that states that such a woman has to wait for five years?

Mr. HACKETT: Will the minister be good enough to tell me if an alien woman marrying a Canadian citizen to-day does not become a British subject? I do not ask the question as a partisan; I do not think anything is to be gained by considering it in that way. The bill is of importance to the people whom I represent. I desire that the legislation which results from our deliberations be useful to everyone and curtail the rights of no one. In that spirit I should be grateful if the minister will answer the question.

Mr. MARTIN: Section 10(1) provides that a minister may grant a certificate of Canadian citizenship to any person who is not a Canadian citizen, and who makes application for that purpose and satisfies the court that he has resided continuously in Canada for a period of one year immediately preceding the date of the application, and, in addition, except where the applicant has served outside Canada in the armed forces of Canada during the time of war or where the applicant is the wife of and resides in Canada with a Canadian citizen, has also resided in Canada for a further period of not less than four years during the six years immediately preceding the date of the application.

Mr. HACKETT: I have no desire to be amusing, and probably I could not be if I wished to be. One added to four makes five. I shall be glad if the minister will correct me if I am wrong. Would it take five years for a United States girl who marries a Canadian man to become a citizen?

Mr. MARTIN: I do not think I can state it any more clearly than by reading the section. My hon. friend is a good lawyer, and it is because he is a good lawyer that I thought I would read the section rather than confine myself to my own language.

Mrs. STRUM: A great many girls who were members of the armed forces will marry men in Holland, Germany and France, or perhaps men of Polish origin. Would the hon. member like to have those men come in as husbands of Canadian girls and immediately attain the status of Canadian citizenship?

Mr. HACKETT: As I understand her question, the hon. member is anxious to know whether a Canadian girl who has married an alien would be able to bring home her husband and give him the status of a Canadian. I submit that the prerogative of determining the nationality of the family must be given either to the man or to the woman. If it be given to the man, the question does not arise; if it be given to the woman, my answer is yes. In other days relationship was established through the woman. The mother's name went to the child. An old adage was, "Maternitas factum est; paternitas supposito"—maternity is a fact; paternity a supposition. For that reason, throughout the centuries the child took the name of his mother and relationship was established through the blood-stream of the mother only.

I tell the hon. member that it makes very little difference whether nationality be conferred as a result of the husband's nationality or of the wife's. The fact is that as a result of marriage a family has been founded, and I

submit that that family should now be one and united. In the past—it might be said it was the benighted past—it was the man who gave his nationality to the family.

Mrs. STRUM: The minister will correct me if I am wrong, but I understand that children born in this country, regardless of the nationality of their parents or even though the parents have not been nationalized are considered Canadian citizens.

Mr. MARTIN: That is right.

Mrs. STRUM: We are not depriving the offspring of those children of citizenship.

Mr. HACKETT: I think the answer to the question is not quite as simple or as concise as that given by the minister.

Mr. MARTIN: It is precisely that, as the hon. gentleman will see if he looks at section 4.

Mr. HACKETT: The question of double nationality comes in there. The children preserve their right to optate; the child of a United States citizen born in this country preserves his right to United States nationality by registration at the appropriate office of his country, provided that when he attains majority he may optate for United States citizenship if he has not committed certain acts, denying him the right, such as voting.

Mrs. STRUM: I am much concerned about this and I should like to know the law.

Mr. MARTIN: The law is exactly as the hon. member for Qu'Appelle has stated it. Anyone born in this country is a citizen of Canada.

Mrs. STRUM: There is the case raised by the hon. member for Stanstead of the child of a man who has not attained citizenship. If that child is a minor and still has the right to choose, does not the act of voting in this country make him a Canadian citizen?

And hon. MEMBER: No.

Mr. MARTIN: Perhaps this cross-firing is disillusioning, and it is certainly not in accordance with the rules of the house. I think we ought to wait until the hon. member has finished speaking, because we are really not in order in carrying on like this.

Mr. HACKETT: If we accept the statement of the minister that an alien woman marrying a Canadian citizen can become a citizen in a shorter period than five years she is still deprived of a right which she enjoys at the present time. I have no desire to diminish the status of any person, be he a male or be she a female, but why should we place a barrier in the way of these people? Why should we say to the young alien woman who is marrying a Canadian that she cannot enjoy immediately the right of becoming a Canadian citizen if she so optates? The minister said in answer to a query which I directed to him some days ago that this matter had come up in 1930. It appears to have been discussed at some length at that time but nothing ever came of the discussion.

Mr. MARTIN: I did not say that.

Mr. HACKETT: No; I am saying it. It was discovered that more than forty nations adhered to the rule set forth in section 13 of our Naturalization Act as amended in 1931, in consequence of the Hague conference, and that only five countries, the most signal and outstanding of which was, of course, the United States of America, had departed from it. The other countries were Paraguay, Uruguay, Russia, and Guatemala. So the whole world, with the exception of these five countries—and with great respect to them all, I suppose we are more interested in what was done in the United States than in what was done elsewhere—follows the rule which we are abandoning.

The United States abandoned the rule for an economic reason. A number of her citizens were leaving the United States, taking up their domicile in some sunny isle of the Pacific, or even coming to Canada, where, in those days, taxes were lower than they were in the United States. In this way they were escaping some of the burdens of citizenship while at the same time enjoying all the benefits thereof. That was the reason for the change in the United States legislation.

I am going to read into the record our present law, as enacted in 1931. This amendment to the Naturalization Act was enacted to meet a very difficult situation which came about after the United States had abandoned the rule of domicile and accepted that of nationality. It happened that in the course of the last war some Canadian women married citizens of the United States. The result was that these women were not citizens of the United States because by the legislation of that country they were denied citizenship. They ceased to be British subjects in Canada, because, according to our law, they had forsworn their allegiance, or had lost their nationality by marrying citizens of the United States. One very painful case, with which a number of members in 1931 were fully familiar, came to the attention of the house. A young Canadian woman married a citizen of the United States, and a child was born. He was not in enjoyment of perfect health. The woman could not get a Canadian passport because she was not a British subject in

Canada. She could not get a United States passport because she was not a citizen of that country. She could not cross the boundary line because she had this child, who was infirm, and who was not wanted here or there.

This hardship occasioned the amendment of 1931. That amendment to section 13 of the Naturalization Act is as follows:

13. (1) The wife of a British subject shall be deemed to be a British subject, and the wife of an alien shall be deemed to be an alien, except as in this section otherwise provided.

(2) Where a woman who is a British subject marries an alien she shall not by reason only of her marriage cease to be a British subject unless by reason of her marriage she acquires the nationality of her husband.

(3) Where a man, during the continuance of his marriage, ceases to be a British subject, his wife shall not cease to be a British subject unless by reason of the acquisition by her husband of a new nationality she also acquires that nationality.

(4) Where notwithstanding the provisions of the last foregoing subsection a married woman would cease to be a British subject, it shall nevertheless be lawful for her within six months after the date at which she would cease to be a British subject, or in special circumstances with the consent of the minister within any longer period than six months, to make a declaration that she desires to retain British nationality, and thereupon she shall be deemed to have remained a British subject.

(5) Where a certificate of naturalization is granted to an alien his wife, if not already a British subject, shall not be deemed to be a British subject unless within six months after the date of that certificate, or in special circumstances with the consent of the minister within any longer period than six months, she makes a declaration that she desires to acquire British nationality and upon the making of such declaration she shall be deemed to be a British subject.

(6) Where an alien is a subject of a state at war with His Majesty it shall be lawful for his wife, if she was at birth a British subject, to make a declaration that she desires to resume British nationality, and thereupon the minister, if he is satisfied that it is desirable that she be permitted to do so, may grant her a certificate of naturalization.

The hon. member for Qu'Appelle cited a case. She did not say whether it was a specific case, but she did mention a woman who had married an alien who later was deported because it was discovered that he had committed some crime in the land of his origin. It was suggested that he was not properly or legally landed in Canada.

Mrs. STRUM: I just cited an example which illustrated the point made by the women's institutes when offering their petition to have the law changed. An alien resident in this country was being deported; the crime was committed here, and for that reason he was being deported back to the country from which he came.

Mr. HACKETT: That is an exceptional case. I am not certain that the law can meet all cases which arise. But it seems to me that a short paragraph added to section 13, which I have read, would meet the case mentioned by the hon. member for Qu'Appelle.

However, we are only talking about marriage between a citizen and an alien. No one suggests that marriage is always what we are pleased to call successful. Even between natural-born citizens, marriages fail. I assume that so long as humanity is what it is, there will be people united in marriage who are not happy and do not agree. But I submit that we should endeavour to eliminate as many of the causes of disagreement as possible, and I suggest that dual nationality in the home is not getting the young people off to as good a start as they are entitled to. If it be objected that the young woman should not be obliged to accept the nationality of her husband, I would say that if she elected to maintain her own nationality, she should have the privilege of doing so; the act could be amended in consequence. What seems to me wrong is that the alien wife should be denied that right at the present time and forced to remain an alien for a period, even for one year. Marriage brings about changes. It changes the status of the woman, it changes the name of the woman, it changes the domicile of the woman, and it changes likewise frequently the domicile and responsibilities of the man. It is a new status, and it requires a surrender of certain rights and prerogatives which pertain to what is called single blessedness.

I come to another aspect of the case which seemed to arouse a little scorn the other day; I refer to the financial or the economical aspect of it. If the woman retains her nationality of origin, she remains subject to the laws of her own country. In the United States the rule of domicile has been abandoned for the rule of nationality, and a person pays income tax, and his estate or succession pays inheritance tax, or succession duty, if he be a national, regardless of where he is domiciled. So if a lady from the United States marries a Canadian and retains her nationality, her property at death is subject to inheritance tax in the United States regardless of where it is situated, and is likewise taxable in Canada because she was domiciled here. If she is domiciled in Canada the succession duty acts of the dominion and of the several provinces will apply to her estate. It may be possible to revamp our legislation to meet this change in the citizenship bill, but the whole British scheme of polity and

international policy accepts domicile as the determining factor for taxation. This act is a departure from the rule which has obtained and still obtains in British countries, and is bringing in a new rule which, I submit, will cause confusion, and in some cases hardship, and possibly loss of property. I do not consider that there has been any sufficient reason set forth to depart from the age-old rule that obtains in the dominion and in the different provinces, that obtains in Canada in its relations with the British isles and other entities in the British commonwealth of nations. I do not think that any reason has been advanced sufficient to warrant the scrapping of that age-old and equitable rule.

If a woman feels that her rights have been invaded by the fact that she has by law become a British subject by reason of her marriage to a British subject, or ceased to be one by reason of her marriage to an alien, I should not be greatly opposed to a measure which would enable her to elect at the time of marriage whether she desired to retain her nationality or accept that of her husband. I think it is the very rare case where the woman deciding to marry is not desirous, is not hopeful, that utmost unity will prevail in the family and in the home about to be established. She knows that her children will be normally endowed with the nationality of her husband, it is difficult for me to believe that a young woman entering upon that estate after mature consideration should wish to go only half way, and without very special reason elect to set up a cleavage, and an unnecessary cleavage, in the home which she and her husband are about to establish.

I am not going to move an amendment, because it would probably be futile at this time. But I ask the minister to weigh carefully what I have said, and to consider if there is not some reason to respect the tradition from which he appears to be departing, with rather—in so far as the debate goes—scant consideration.

Mr. M. J. COLDWELL (Rosetown-Biggar): I do not wish entirely to follow the hon. member for Stanstead (Mr. Hackett), and, not being a lawyer, perhaps I should not attempt to interpret the law. But a few minutes ago, I am glad to say, the hon. member for Kindersley (Mr. Jaenicke) was able to come and sit down beside me for a few minutes, and he pointed this out to me, for he is a good lawyer—

An hon. MEMBER: Is that a plug?

Mr. COLDWELL: No plug, no. It is too far away from home to do him any good. I think his interpretation is sound and, if so, the argument of the hon. member for Stanstead is unsound. Section 10 (1) (c) reads—I am substituting "she" for "he":

> The minister may grant a certificate of Canadian citizenship to any person who is not a Canadian citizen, and who makes application for that purpose and satisfies the court that:
> (c) she has resided continuously in Canada for a period of one year immediately preceding the date of the application and, in addition, except where the applicant . . . is the wife of and resides in Canada with a Canadian citizen.

Mr. MARTIN: That is the section I read.

Mr. COLDWELL: Yes, and it is as clear as crystal to me that this means that if she has resided continuously in Canada for one year immediately preceding the date of her application, if she is the wife of a man who resides in Canada and who is a Canadian citizen, she is entitled to Canadian nationality.

Mr. MARTIN: If she wants it.

Mr. COLDWELL: Yes, upon application. That would seem to cover the point.

As to the other point, the nationality of our people who cross the line into the United States, I imagine that they would have to fulfil residential and other qualifications before they would be entitled to citizenship in the United States.

But what I rose to speak about was a bill of rights. First let me say that while on the first reading of the amendment of the hon. member for Lake Centre (Mr. Diefenbaker) I was of the opinion that it was in order, having listened to the argument I was compelled to change my mind.

Mr. ROSS (Souris): Did the hon. member not argue before that it was in order?

Mr. COLDWELL: Yes, but I say that after listening to the argument on the point after I had spoken I came to the conclusion that I was wrong and that the others were right, and when convinced of that I usually act accordingly, although it may make one feel a little awkward, but I do not mind feeling a little awkward when I know I am doing the right thing.

Mr. BROOKS: It must keep you shifting quite a lot.

Mr. COLDWELL: I do not often shift.

Mr. BROOKS: You can shift quickly.

Mr. COLDWELL: When I am proved to be wrong I will shift just as quickly as anyone, but when proved to be right I will shift for no one.

What I rose to say was this. We are most anxious to have a bill of rights. As a matter of fact, my colleague the hon. member for

Winnipeg North (Mr. Stewart) and a committee of our party spent a great deal of time before Easter considering what might be done about a bill of rights in this bill, and a preamble had been drafted which I have now before me. We are most anxious to see in this bill something which would indicate that certain rights are inherent in Canadian citizenship. The bill has had a long discussion already, and I do not wish to prolong it and would rather not move this preamble as an amendment because, if the bill were referred back to committee of the whole to add the words we have drafted as a preamble, it would be in order for other hon. members to propose additions or deletions. I do not wish to prolong the discussion by moving this if I can have the assurance that the minister will between now and next session consider introducing a bill of citizenship rights or doing what the hon. member for Lake Centre (Mr. Diefenbaker) suggested, setting up a committee of this house to consider the drafting of a bill of rights. If I can have that assurance it will cover the point. We are most anxious that the bill shall not pass without such an understanding being reached, because on all sides of the house—this is not a party question—there is the desire to have something written into our Canadian law in the nature of a bill of rights, either by a preamble to this bill or otherwise. I ask the minister if he will give that assurance.

Mr. MACKENZIE: I can only renew the assurance I gave the other evening when this point was being discussed. Unfortunately there has been no opportunity since for a full council consideration of the matter, but I assure my hon. friend that at the earliest opportunity the question will be considered carefully by council in the light of the representations that have come from various quarters of the house and also in the light, may I say to my hon. friend who knows this as well as I, of the great difficulties involved with reference to certain provincial and other rights within Canada. But I can assure him that the matter will be definitely considered.

Mr. COLDWELL: The hon. gentleman means that the earliest possible consideration will be given to it by council?

Mr. MACKENZIE: Yes, except that I doubt very much that it would be possible to give the question the consideration it deserves while the house is sitting. It might be, but in any event at the very first opportunity I shall bring the representations that have been made from various quarters of the house on this question to the attention of council.

Mr. COLDWELL: I am not suggesting that it be done immediately, but that before next session or at the next session we should either have before us a bill of rights or a committee set up which would go into the whole question and consider the constitutional difficulties and so on with a view to drafting a bill of rights which would be within the powers of this parliament. So long as we have that assurance I shall not move this preamble.

Mr. MACKENZIE: I would not wish to restrict myself to the term "bill of rights," because it might be a declaration of principles along the lines indicated by my hon. friend and by the hon. member for Lake Centre and others, but I can assure my hon. friend that the general representations which have been made along this line in this debate will be considered by council as soon as possible.

Mr. COLDWELL: I am not particularly concerned about the term used. I simply used the term "bill of rights" because that has been frequently used in the debate by other hon. members. But I want something in the nature of a bill of rights as we have termed it in this debate, setting forth the rights of Canadian citizenship, particularly the right of a Canadian citizen, regardless of race, creed or colour, to enjoy the full privileges and protection of Canadian citizenship. That is what I have in mind, and with the minister's assurance I am prepared to let the matter stand.

Mr. MAXIME RAYMOND (Beauharnois-Laprairie) (Translation): Mr. Speaker, on the motion for the second reading of this bill I voiced some objections to its being passed as drawn up. I notice that discussion in committee brought about no improvement and I want to state again my opposition.

As a subject of a nation which is said to be sovereign since the enactment of the statute of Westminster, I cannot agree to a measure which bears the stamp of utter colonialism, which implies a renunciation of our sovereignty. I shall merely mention two sections of the bill in order to show that through this legislation we relinquish our sovereignty. I refer to sections 22 and 26.

Under section 22, we have no right to revoke a certificate of naturalization granted in another country of the British commonwealth, without requesting the concurrence of the latter country. Such is the purport of section 22—

Mr. MARTIN (Translation): The hon. member is mistaken.

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): I am going to quote that section:

The governor in council may, with the concurrence of a government of a country of the British commonwealth other than Canada, revoke a certificate of naturalization granted in the said country to a person who resides in Canada.

It means, therefore, that we cannot revoke that certificate of naturalization without having obtained the consent of the other government by which it was granted. I say that this is a renunciation of our sovereignty.

Mr. MARTIN (Translation): That is not correct.

Mr. MARIER (Translation): That is not the purport of the section.

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): Every one is free to construe that provision as he sees fit.

Mr. MARIER (Translation): That is not what is meant.

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): I should like to know if that is not a renunciation of our sovereignty, since we have to request the concurrence of another nation in order to revoke a certificate of naturalization. That is my interpretation of that section.

Mr. MARIER: (Translation): It refers to a certificate of naturalization granted in another country.

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): We already had an act, known as the Canadian Nationals Act, which conferred the Canadian citizenship as well as the British nationality. It is being replaced by another act, having another title, which has the same purport.

Indeed, what difference is there between a Canadian national, as defined in the Canadian Nationals Act of 1921 and a Canadian citizen, as defined in this bill? According to the Canadian Nationals Act of 1921, a Canadian national is a Canadian citizen, and a Canadian citizen is a person born in Canada or naturalized in Canada, or a British subject. Under this bill, a Canadian citizen is a British subject; in either case a Canadian citizen is a British subject. Where is the difference? If there is any difference, we stand to lose, because, during the discussion on the 1921 act, Mr. Doherty, the then minister of justice, said that he had used the word "ressortissant" instead of the word "citizen" for the following reason, as recorded on page 645 of *Hansard* for 1921:

[Mr. Martin.]

You may have to talk of the "subject" of one country and of the "citizen" of another country, but in "ressortissant" you get one word for them all.

So that the word "national" had a wider meaning than the word "citizen". We had dual nationality under the Canadian Nationals Act of 1921, we still have it under this bill but the situation is even worse now because our international status has changed since 1921. While we were then a dependency of Great Britain, we have ceased to be one since 1931.

I believe that, in this debate, the Secretary of State said that ours was not a dual nationality.

Mr. MARTIN (Translation): That is just what I said.

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): In that case what are we to understand by the words "British subject"?

Mr. MARTIN (Translation): I explained them at the time.

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): Words either mean something or they don't. If they don't, they ought to be struck out. If they do, they mean that being a country's subject implies obligations towards that country? Besides, when the Canadian Nationals Act of 1921 was being debated, the hon. Minister of Justice then said about the words "British subject":

The purpose of the bill is to define a particular class of British subjects who, in addition to having all the rights and all the obligations of British subjects . . .

Which means that the fact of being a British subject implies obligations, and that the Canadian national had the obligations of a British subject just as the Canadian citizen will have them under this bill.

Mr. MARTIN (Translation): No!

Mr. BEAUDOIN (Translation): If the hon. member will be so kind as to say from what page he is quoting—

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): Page 645 of *Hansard*.

Mr. BEAUDOIN (Translation): Of what year?

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): 1921.

Mr. LAFONTAINE (Translation): 1921?

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): Yes.

Mr. LAFONTAINE (Translation): You mean the English version?

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): Yes, the English version. And

on page 776, he says the following—for it will be noted that the drafters of this bill refused to define the words "British subject".

Mr. MARTIN (Translation): In what year, 1821?

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): 1921. It says here on page 776 that the hon. Minister of Justice stated the following:

A British subject is a man who owes allegiance to, and who is entitled to protection as a subject of the British crown.

So that the status of British subject implies certain duties and obligations to the British crown.

Mr. MARIER (Translation): To the Canadian crown.

Mr. MARTIN (Translation): That was said in 1938.

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): I beg your pardon?

Mr. MARTIN (Translation): That statement was made at the imperial conference of 1938, in London.

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): I did not know a statement had been made at the imperial conference of 1938 in London, to the effect that a British subject has no obligation to the British crown.

Mr. BEAUDOIN (Vaudreuil-Soulanges) (Translation): May I ask a question? Is the position of a British subject in 1946 the same as in 1921?

Mr. RAYMOND (Beauharnois-Laprairie) (Translation): Yes, because if it is different, I fail to see why the bill does not give a definition of the term "British subject". Nowhere is such a definition to be found in the bill, while the word "British" was defined in the previous act.

Besides, the British nationality is to be found all through this bill. Canadian citizenship is drowned in the British nationality to which it is subordinated. To be a Canadian subject, one has to be a British subject. That is clearly expressed in section 26 of the bill.

How different this bill is from the nationality act passed by Ireland in 1935. They do not use the term "British subject". They even went further and abrogated the British Nationality Act of 1914, in so far as it might apply. May I be permitted to quote a statement made at Waterford, on the 28th of January, 1946, by the Prime Minister of Ireland, Mr. de Valera:

Our country is a sovereign and independent state. We have our own constitution and our own citizenship laws and none of our citizens owes any allegiance to Great Britain or to the British crown. We are not British subjects and it is impertinent to say that we are.

The present bill offered an opportunity clearly to define the situation; instead I believe that it is now more muddled than ever. We should have followed Ireland's example in asserting our sovereignty and our independence. We should have passed an act similar to the Irish Nationality Act—which would have given to Canadians a Canadian nationality, distinct from that of other countries.

As the present bill does not give us a Canadian nationality distinct from British nationality, I am opposed to it.

Mr. J. R. MacNICOL (Davenport): I have had so many representations from people in my riding who were born in the old country, as I presume other hon. members have had, that I am impelled to make a few more observations in reference to the bill. The people to whom I refer have been encouraging their relations in the old country to move out to Canada. They are now afraid that if the bill passes their relations will move to Australia instead.

Mr. MARTIN: They need have no fear of that.

Mr. MacNICOL: The minister shakes his head. Presumably he thoroughly understands the bill but I cannot understand it. I do not understand the English language, apparently, although I taught it for several years, if I read correctly the meaning of the bill.

I am going to tell the house why the old countryman would prefer going to Australia or New Zealand to coming to Canada. Personally I would much rather see him come to Canada. What is the situation with reference to Australia? The minister shook his head a moment ago, and on a previous occasion argued against what I said. I shall begin my remarks by saying a word or two about the Australian act because, when I spoke last, I asked the minister two specific questions. One of these questions had to do with a soldier of Europe who was of non-British origin, but who had fled to Great Britain for refuge when war broke out and later on joined the Canadian forces. In due course he returned to fight on the continent of Europe. I asked the minister whether if that soldier came to Canada and remained here for one year, he would be admitted to full citizenship, and the answer was yes. I then asked about the old country soldier who fought in an adjacent regiment under the same

general, General Sir Bernard Montgomery, who commanded a large number of British and Canadian regiments. I asked whether a British soldier who marched alongside the soldier of non-British origin in an adjacent Canadian regiment would obtain complete citizenship in Canada if he remained here for one year, and the answer was no.

Mr. MARTIN: I did not say that at all.

Mr. MacNICOL: I shall quote the minister so that there will be no mistake about the matter. The answer was no, that he would not obtain full Canadian citizenship in Canada until he was here for five years. I shall now quote what the minister said. Perhaps he has forgotten what he said. After rehearsing what I have just said, I asked the minister a question, as reported at page 1139 of *Hansard* and he replied, referring to the soldier of non-British origin.

> The soldier in that case is identified with the country. The point is that he served in the armed forces of Canada and fought with the Canadian forces overseas, and that gives him citizenship.

Now take the other soldier, British, who fought in the regiment alongside the Canadian regiment:

> Mr. MacNicol: The non-British soldier would get citizenship in one year, but the British soldier fighting alongside him would not get it under five years?
>
> Mr. Martin: If he came in he would, of course, have the right to vote and do everything as a British subject. He is a British subject. He could come to Canada and have the privileges of Canadian citizenship.
>
> Mr. MacNicol: But he would not get his full citizenship until five years had expired?
>
> Mr. Martin: He would not get his certificate.

Mr. MARTIN: That is not the question the hon. gentleman just put.

Mr. MacNICOL: Yes, it is. That is not the situation in Australia; and as a Canadian I am afraid that multitudes of Britishers whom we shall want to come here when times are normal again, to help build up and develop this country as many of their relations have done and as my relations have done, will not come here under those circumstances. Nothing I can say now can alter the bill, I know, and I am not going to move an amendment.

Mr. MARTIN: Would my hon. friend permit a remark?

Mr. MacNICOL: No; I would rather finish what I have to say, because the minister has interrupted me every time I have been on my feet. I can read plain English as well as he can, and I have just quoted his words.

[Mr. MacNicol.]

Mr. MARTIN: My hon. friend and I are very understanding friends. We both have the same objective, and I am sure he would not want any of his words to be misconstrued and have the effect of suggesting that people should not come to this country, because our provisions are much more generous in relation to British subjects than are the provisions in Australia.

Mr. MacNICOL: Perhaps when I get through reading the Australian act the minister will be convinced otherwise. Just for the sake of clarification I wish to put on record a few definitions from the Australian act. I am referring to the Commonwealth Acts, 1901-1935, which is the latest I could obtain. I went to the Australian office here to get a later volume, but they had nothing later pertaining to this. I turn to page 99, where I find the act relating to nationality and aliens. There I find this definition:

> "Alien" means a person who is not a British subject.

That is the same as with us. That is clear enough. The next question is, what is a British subject? The answer is given on page 100:

> "British subject" means a person who is a natural-born British subject, or a person to whom a certificate of naturalization has been granted . . .

The next one is the definition of a natural-born British subject. Section 6, on page 100, gives this definition:

> (a) Any person born within His Majesty's dominions and allegiance . . .

The next question is, what is a naturalized British subject in Australia? At page 102 I find this definition, under the heading "Naturalization of Aliens":

> (1) The governor general may grant a certificate of naturalization to an alien—

That is a non-British subject.

> —who makes an application for the purpose, and satisfies the governor general—
>
> (a) that he has either resided in His Majesty's dominions for a period of not less than five years in the manner required by this section, or been in the service of the crown for not less than five years within the last eight years before the application . . .

Then subsection 2 states:

> The residence required by this section is residence in the commonwealth or a territory for not less than one year immediately preceding the application, and previous residence, either in the commonwealth or a territory or in some other part of His Majesty's dominions, for a period of four years within the last eight years before the application.

Mr. MARTIN: That is exactly the same as our provision.

Mr. MacNICOL: Let us take the case of a Britisher, who is not an alien, living in England and going to Australia. He does not have to be there for five years before he gets naturalization.

Mr. MARTIN: Oh, yes, he does.

Mr. MacNICOL: Not only that; he votes within six months of going there.

Mr. MARTIN: In some of the states.

Mr. MacNICOL: He does not even have to wait for a year, as he does here.

Mr. MARTIN: In some of the states of Australia he votes; not in Australia itself.

Mr. MacNICOL: Well, I am going to quote from the Australian election act, at page 850 of the same volume:

Subject to the disqualification set out in this part, all persons not under twenty-one years of age, whether male or female, married or unmarried—

(a) who have lived in Australia for six months continuously and

(b) who are natural-born or naturalized subjects of the king . . .

That is as clear as a-b-c to me; that if I move to Australia I have to be there only for one year until I am an Australian citizen, with all privileges. I so inquired, and that is the answer I was given.

Mr. MARTIN: Only in regard to the right to vote. You would be liable to deportation within five years in Australia.

Mr. MacNICOL: The minister keeps saying that, but I am not talking about deportation. An immigrant may be deported if he commits some crime, but I am talking about full citizenship, which I would have in Australia within a year.

Mr. MARTIN: There is not a bit of difference in the situation between Australia and Canada.

Mr. MacNICOL: Well, I hope I am wrong but I am sorry to say that as this bill now reads, compelling a Briton to remain here for five years before he obtains full citizenship, I believe it will have a serious effect on immigration into this country. I personally would not move to any commonwealth if I had to remain there for five years before I got full citizenship. I have only a word or two more to say.

Mr. MARTIN: If the hon. gentleman would put a simple question to the Australian government: if he would ask them if with regard to voting privileges, and with regard to the period during which a person may be deported, their act differs in any way from our act, I should be interested to hear the answer. There is no difference whatever.

Mr. MacNICOL: I notice that at page 1000 of *Hansard*, after having previously said that the Australian act was the same as ours, the minister went on to say:

The Prime Minister of Australia has said that the Canadian citizenship bill now before this house makes such an appeal to that country that they are going to take similar action.

Well, from that I would judge that they have not taken action, in spite of what the minister says.

Mr. MARTIN: The Prime Minister of Australia announced that he was so pleased with this bill that they proposed to adopt exactly the same principles.

Mr. MacNICOL: I do not want to see this bill held up for long, but I should be glad if on another occasion the minister would quote and give the date of the quotation, the statement he says was made by the Australian Prime Minister; because before the Prime Minister of Australia left for England, where he is now, it was announced that part of the programme to be considered in London was an empire citizenship.

Mr. MARTIN: Oh, no.

Mr. MacNICOL: Oh, yes; I quoted that when I spoke previously. The minister has a happy faculty of simply shaking his head and saying. "no," but I can read English as well as he can.

I wish to point out one other anomaly. The hon. member for Vancouver South (Mr. Green) quoted the election act of one of the Canadian provinces which stated that in order to vote in that province a person had to be a Canadian citizen. Well, I picture two brothers coming to Canada from, say, Liverpool or Manchester or Edinburgh or Belfast, or any other part of the British commonwealth. The one comes to Toronto; the other goes to Montreal. Some time after this measure is passed a provincial election comes along in the province of Quebec. The brother who goes to Montreal, not being a full citizen, will not have the right to vote for five years.

Mr. MARTIN: That is not correct.

Mr. MacNICOL: I am glad to hear the minister say I am wrong, but the hon. member for Vancouver South says I am right, and with all due respect to my good friend the hon. member for Essex East (Mr. Martin) I will take the legal advice of the hon. member for Vancouver South first.

Mr. MARTIN: Has the hon. member read the case I cited?

Mr. MacNICOL: I shall be through in a moment and then the minister may reply to what I have just said. I had not finished saying that the brother going to Toronto would be able to vote in that city if a provincial election came along after he had been there for one year. He would not have to be a Canadian citizen, except that in the eyes of the law he would be so interpreted in Ontario, which would give him the right to vote.

Apart from that anomaly, let me say in conclusion that I see a trend going on here and there. I do not say this legislation is part of that trend, but it is one of the things that are having or may have a serious effect on the strength of this great commonwealth of nations of which Canada forms a part. According to the Ottawa *Citizen* of May 7 a distinguished and able man gave an address which was reported under this heading:

Best Security for Peace Said Commonwealth

By this whoever wrote the heading meant that the best security for peace is the British commonwealth, and with that statement I am in entire agreement. I do not like to see these various things going on which will loosen the bonds of this empire. The newspaper report went on to say:

"The best security we yet have for peace in the world is the British commonwealth of nations," said Doctor R. C. Wallace, principal, Queens university, in an address at the Ottawa Rotary club luncheon meeting in the Chateau yesterday.

The remarks were made here in Ottawa; I thought perhaps they had been made in Kingston.

"When Britain stood with her back to the wall and on the day when we feared that the BBC voice over the air might be the last from a free Britain, we realized how deep were our relationships and felt that if she went down everything we thought worth while would go down, too."

That is the feeling I have. Frankly, Mr. Speaker, I am alarmed at one thing and another which are taking place here in Canada, which to me seem to be breaking up the ties that bind. Others may not have that opinion, but no one can blame me for feeling that way. That is my opinion, and it is the opinion of multitudes. I feel that if this bill in any way interferes with the migration of British men to this country by not giving them full citizenship until after five years, they will not come here. As British I would not go to Australia or New Zealand or any other part of the empire where I was barred from full citizenship for a period of five years.

[Mr. MacNicol.]

Mrs. GLADYS STRUM (Qu'Appelle): I wish to assure you, Mr. Speaker, that I will take just a few minutes, but I thought I should answer the hon. member for Stanstead (Mr. Hackett) and assure him that to give women the privileges of citizenship in their own right, rather than through their husbands, will not threaten the homes of this country. I personally was put to considerable inconvenience a few years ago when I attempted to obtain a passport. Much to my amazement I found that, although I had been born of British parents who had been in this country for several generations, I was now the wife of the son of a British subject by naturalization, because my husband's father had come from the United States and taken out citizenship here. I was delayed for weeks and weeks while my husband procured a certificate; but had he not gone to this trouble, and had his father not taken out his citizenship I might have found myself in the position in which thousands of other Canadian women have found themselves, of having inadvertently lost citizenship and become aliens.

Having been a candidate for office on three occasions; having done poll work several times and helped to make up voters' lists, I know of dozens and dozens of girls who have come of age and have found that without their knowledge—because they knew nothing of law; they only got married—they were suddenly no longer Canadian citizens but aliens, and unable to vote. I am sure the hon. member for Stanstead would not wish to perpetuate that condition. Undoubtedly all hon. members who believe in the rights of human beings—not the rights of men and women as opposing factions, or as two groups which have nothing to gain or lose, but as human beings—will want to see people have certain inalienable rights. Citizenship should be one of those rights.

In the long process of history, in the long march of civilization, we have gradually struck from women those shackles. We started out with woman as the property of man. It is not many years since a man could will his unborn child away from the mother. It is not many years since a woman did not have the right to own property in her own name, after marriage. Automatically it went to the husband.

These are forward steps we have taken, writing into the statutes of our country the rights of human beings, regardless of their being men or women. I should like to congratulate the minister—and I should have done it much earlier—upon the stand he has taken.

Mr. HLYNKA: Is the Secretary of State ready to reply to the question I asked in connection with the acquisition of naturalization by Sam Carr?

Mr. DEPUTY SPEAKER: While there is no reply on third reading, the minister has the privilege of speaking in the same way as any other member.

Mr. W. A. McMASTER (High Park): Mr. Speaker I rise to speak particularly respecting section 10 (1) (c) of the bill. I noticed this afternoon that the hon. member for Stanstead (Mr. Hackett), misinterpreted the language.

Mr. MACKENZIE: With all deference to the hon. member, I think we should have some semblance of order in respect of debate on specific sections of the bill. It must be remembered that it was considered in detail in committee of the whole. I do not rise with any desire to be objectionable, but simply to follow the rules of the house.

Mr. McMASTER: If the Secretary of State (Mr. Martin) does not want any assistance in clarifying this section, then I am quite satisfied. I speak only for the purpose of making it clear. I suggest it has been read by two people this afternoon, each of whom had a different interpretation of what it meant. When we were in committee I said I did not understand it, but perhaps I was the only one who did not understand it. If it is that bad, I should think the minister would want to have some assistance to make it clear, because it certainly is not clear. However, I leave it entirely to the Secretary of State.

Mr. MARTIN: Go ahead.

Mr. McMASTER: I suggest that if there were brackets before the word "except" in the third line of paragraph (c), and if those brackets were closed after the word "citizen" in the seventh line thereof, the paragraph would be clear.

The minister is trying to give rights to a wife or to a member of the armed forces by way of exception. I submit that is bad draftsmanship, because he has always maintained that nothing is being taken away from any citizen. On the other hand, I have maintained that a man became a citizen as soon as he came here. The Secretary of State has always argued differently, namely that they did not get full citizenship for five years The only manner in which he now gives the right to a member of the armed forces or to a wife is by way of exception. Therefore I submit that it is bad draftsmanship to try to give to these people rights by way of exception rather than by positive enactment.

Mr. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I rise to ask a question with reference to the assurance asked by the hon. member for Rosetown-Biggar (Mr. Coldwell). I wanted to be sure whether the leader of the house gave the assurance merely that the government in due course would consider the hon. member's request, or whether he was actually acceding to that request which, as I understood it, was an assurance that at some stage a committee would be appointed to deal with the whole subject. My understanding was that all the minister said was that the matter would be taken into consideration by the cabinet.

Mr. MACKENZIE: That is correct.

Motion agreed to, bill read the third time and passed.

Mr. MARTIN: May I repeat on third reading what I said the other day. I thank hon. members on all sides of the house for their cooperation and valuable suggestions—and in this I should like to include the lady member—in respect of what I think is one of the great bills of this parliament, and which will give this great nation the recognition it deserves.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

DEPARTMENT OF AGRICULTURE

Science service—

5. Science service administration, $32,487.

Item stands.

Marketing service—

26. Dairy products, $438,652.

Hon. J. G. GARDINER (Minister of Agriculture): I wanted to call item 26 for the purpose of answering a question which was asked yesterday and putting in order any discussion with regard to it. This explains my absence from the chamber for the last hour or so. It concerns subsidies for dairy products. The position which has been taken by the government in relation to the matter results in an announcement of policy which concerns milk products over a period of time. I am not in a position at the moment to cover all the milk products, but those which have been most under discussion in recent days I am in a position to deal with.

In the first place, it has been decided that the consumer subsidy on fluid milk will be removed as of June 1, and control over prices will be returned from that date to the pro-

vincial milk boards. That is, in so far as control of prices is concerned the position will revert to where it was prior to the coming into effect of the prices board so far as fluid milk prices are concerned. In order to allow provincial boards an adequate period in which to make necessary price adjustments, a subsidy of fifty-five cents per 100 pounds will be paid to producers of fluid milk from May 1 to September 30, 1946, it being understood that this subsidy will be removed completely at the later date. It is provided that the subsidy be limited to thirty-five cents in areas where the agricultural food board considers this adequate. That is replacing the provision which was there before, that in those certain areas the limit was twenty-five cents. In view of recent adjustments in the price ceiling on butter, no further action in respect of the present subsidy on butter fat for creamery butter is considered to be required. It is necessary for certain reasons to give further consideration to the subsidies on milk entering into cheese, and into processed milk. The result of these discussions will be announced shortly, that is within the next few days. It is definitely understood that if any adjustments are made they will be upward as compared with the present summer subsidy. That is, if any adjustments are made on the cheese and the processed milk those adjustments will be upward as compared with the subsidies provided for the summer.

I have called the item "dairy products" under "marketing" in order to make it possible for hon. members, without being out of order, to ask any questions they desire to ask or to carry on any discussion in relation to it.

Mr. HACKETT: Availing myself of that suggestion, I will ask the minister if he will state whether there is any intention on the part of his department to increase the ceiling price of creamery butter.

Mr. GARDINER: I just made the announcement in connection with butter, that action with regard to butter has already been taken. It is proportioned to the action which is being taken in connection with other milk products.

Mr. HACKETT: But the minister stated the other day that, in spite of the action taken, there is still a discrepancy in the return to the producer who makes butter instead of cheese; he does not get as much money.

Mr. GARDINER: I was really arguing that if there was a change over from cheese to butter, as apparently there had been in the province of Quebec, where it was easier for them to do it, where they have gone up very much in butter production, the indications were that there was something in favour of butter production. That is simply because of the taking off of the small subsidy which had been paid by the Quebec government, they switch over from cheese to butter, which would indicate that if there is any difference anywhere else it is a very small one.

Mr. ROSS (Souris): Does that mean that there is no further subsidy for consumers of whole milk anywhere in Canada, that that is entirely eliminated?

Mr. GARDINER: As of the 30th September next.

Mr. ILSLEY: The consumer milk subsidy comes off from the first of June.

Mr. GARDINER: Yes, from the first of June. It is the producers' subsidy which comes off as of the 30th of September.

Mr. WRIGHT: Some days ago the minister in answer to questions asked by various hon. members stated that when the subsidies on agricultural products were removed the Farm Prices Support Act would be brought into action and that the floor prices under the various agricultural products would be announced. Already there have been several removals of subsidies on agricultural products, on canning vegetables, canning fruit, and now on milk. I would ask the minister when it is intended to bring into operation the Farm Prices Support Act and place floor prices on these particular products. We are having shortages to-day of most agricultural products, and in my opinion one of the reasons for those shortages is the present uncertainty with regard to prices. I am quite sure that is one of the main reasons for the drop in production in quite a few lines. As regards dairy products, we find that figures were placed before the house showing a great increase in the export of dairy cattle at the present time, and one of the main reasons is that there is no certainty as to what prices for dairy products will be in the near future. I would like the minister, if he can, to inform us when floor prices will be placed under these products under the authority of the Farm Prices Support Act, which was passed by this house just before the last election.

Mr. GARDINER: The Farm Prices "Floor" Act, as it has been described—and that is as good a term to describe it as any, I think—was put on the statute books at the last session prior to the election, and when that bill was before the house the statement made was to the effect that the bill would be brought into operation at any time it was necessary to bring it in for the purpose of maintaining returns to farmers. Returns include both price

and subsidy. Under the discussions we had at that time I think both terms were included. It would be brought into effect at any time it was necessary to retain the returns to farmers in a position which would be comparable with that of the last three years prior to that time. What was had in mind at the time was this, that farmers had been receiving for their products certain returns which were considered to be fairly reasonable in relation to the prices they had to pay for what they had to buy.

Quite an effort was made to have us say that those prices would be based on parity. We did not say that in those terms, because there are so many different interpretations of the word "parity" that it would be most difficult to justify ourselves one way or the other. But we did say that the relationship between what the farmers were getting and what they were paying would be taken into consideration when a decision was being reached as to when we would put the bill into effect.

The present position is that the bill has already been declared operative, and there is an item of $50,000 in these estimates for its administration. The new membership has not yet been appointed. At the time the bill was going through I stated that we would appoint a permanent chairman and that two officials of the Department of Agriculture would act as temporary members of the commission to function until such time as it might become necessary for the board to operate to control any downward trend in the prices of farm products. I do not think it would be correct to say that there has been any downward trend in the returns received by the farmers up to the moment, when you take into consideration both prices and subsidy, so that there has been no reason up to the moment for taking any action beyond what has been taken, as a result of anything that was said at the time the bill was going through.

The present position is not exactly as stated by the hon. member for Melfort. There is not a shortage in Canada in the production of farm products. There is, of course, a shortage in satisfying all the markets of the world, because there is a greater demand from other countries for Canadian farm products than we are able to supply. But the shortage is not in Canada. There is no shortage of food for Canadian consumption except in butter, and every year since I have had to do with public affairs, there has been a shortage of butter to supply the needs of the Canadian people. But so far as all other farm products are concerned there is a surplus supply, as I recall at the moment, with the possible exception of feed grain, and that is because everything else is so high. We have not the feed grains at present to make absolutely certain that we can feed all the live stock we have through until we have a new crop, and unless the promise of crop conditions changes materially within the next month we are not going to be concerned so much about finding markets for our farm products as we shall be concerned about feeding the live stock we have. I have been suggesting for over a year that what we need to be most concerned about in this country is getting feed. We have never been in such danger of not having enough feed as we are right now. One of the reasons for that is that we have met in greater degree I think than any other country all the demands that are being made upon us for grain to feed the different peoples of the world to keep them alive. We have been going far beyond anything we are justified in doing in order to provide for them. That is the only shortage we are likely to have in the immediate future in the production of farm products. Any other shortages we may have will depend upon the feed supply.

The position then is that we have been maintaining prices at the levels at least at which they were before, and we have been increasing them from time to time.

So far as this particular product is concerned, we are now simply saying that we are turning the control over prices and distribution back to where it was before, to the provincial boards which were handling it until it was taken over by the prices board, and we shall not be in a position to say whether the floor prices bill should be applied in connection with the products until we see the results of the action that will be taken between now and September. During that period we are going to be paying higher subsidies than we ever paid before, and so far as we know the producer is going to be receiving higher prices than he received during the three years of which I spoke. We shall not be in a position to take any action under legislation or under anything that was said until we see the results of the action taken between now and September.

Mr. CRUICKSHANK: Is the minister going to press for the passing of this item to-day?

Mr. GARDINER: I will ask to have it stand after we get through with this discussion.

Mr. COLDWELL: Can we continue with its discussion after eight o'clock.

Mr. GARDINER: As long as this item is before the committee.

Mr. CRUICKSHANK: And then it will stand so that we can revert to it? I should like to read the minister's remarks in *Hansard*.

Mr. GARDINER: I should like to have all the discussion we are going to have on this item to-day. Then the item can stand and we can take up item 5. These estimates will be on to-morrow and we can come back to this item before my estimates are through.

Mr. COLDWELL: Would it not be better to have all the discussion on this item before we leave it?

Mr. GARDINER: That is exactly what I am proposing, that we complete the discussion on this item before we leave it.

Mr. WRIGHT: I should like to read a letter that I received to-day from a farmer in my constituency dealing directly with the statement just made by the minister with respect to feed and the reason for the reduction in production. This man's letter has to do with bacon.

Mr. GARDINER: Probably I have the same letter.

Mr. WRIGHT: This man's letter is dated May 11, 1946. He says:

Dear Sir:

Some time ago I saw in the *Star-Phoenix* an article giving Mr. Gardiner great praise for giving the farmers two dollars more for their hogs. Well, ten days ago I took out my first load of winter hogs, and what did I get? Six B1's and one C—something I never got in all the hogs I have sold before, and I have sold in the last six years an average of from 160 to 200 hogs per year.

The packers cannot tell me that I do not know an A hog when I see one. We have the best boar that money can buy and we have nine sows farrowed at the present time. We have 100 living pigs out of 114. We don't always have that luck.

Mr. Gardiner makes us farmers laugh when he says that it is the shortage of feed that has made the farmer quit raising hogs. There is plenty of feed. Give the farmer the price and he will give you the hogs and plenty of them. We have 22 brood sows that we intended to breed, to come in in November, but unless we are guaranteed $32 a hog we are out for good and my neighbours likewise. I am sending you my returns and I want you to let Mr. Gardiner and Mr. King see them for themselves, if you can make out this scribbling and read "little Jimmie" this letter, as he has fooled us long enough. Please excuse mistakes as I have a crippled hand.

That is the attitude of the farmers, certainly in the northern part of Saskatchewan.

Mr. GARDINER: But that does not say that it is correct.

[Mr. Gardiner.]

Mr. WRIGHT: That certainly is the opinion in that part of the country, which is one of the biggest hig producing areas in the Dominion of Canada.

Mr. GARDINER: I do not know whether it is the same letter that was written to me, but very much the same facts were set out in a letter that was sent to me and which started out by asking me if I had had any better luck than this farmer had. I told him my own luck in connection with a shipment at that very time. I sent ten hogs to market and I just got the returns in the mail the day before this man's letter came. Of my ten hogs, I got all A and B except two, and I was sorry that I got A and B hogs, for the other two were heavy and I got more for them than I did for the A's and B's. There has been a lot of complaining about people not being allowed to produce heavy hogs. The change that has been made in the premium permits one to do without the premium of $2 on A hogs or $1 on B hogs and to receive $32 apiece for the heavy hogs. That is what I got. I got an average of $29 for A's and B's. I got the average, which this gentleman wants on heavies, of $32. So that sometimes these chaps who do all this figuring do not figure far enough. My hogs were all of one litter, all fed in the same pen, all having the same feed and the same care, and the heavy hogs brought me $32, while the A's and B's did not bring that much. All sorts of considerations have to be taken cognizance of in the individual selling of hogs.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CHARLTON: I understood the minister to say this afternoon that the consumer subsidy of two cents a quart would be taken off milk on June 1.

Mr. GARDINER: That is correct.

Mr. CHARLTON: And that the subsidy of fifty-five cents on whole milk would be continued until September 30.

Mr. GARDINER: That is correct.

Mr. CHARLTON: Does that include all milk or just whole milk?

Mr. GARDINER: That is all milk delivered as fluid milk.

Mr. CHARLTON: And there is no further action to be taken on butter?

Mr. GARDINER: I should say that the fifty-five cents is in most of the areas as it is now under the present subsidy provisions; but there is a provision at present which says that there are certain areas in which it will not be above twenty-five cents. We are saying here that there are certain areas in which it will not be above thirty-five cents.

Mr. CHARLTON: I understand there is no further action to be taken on butter but that so far as cheese and processed milk are concerned there is to be a further statement.

Mr. GARDINER: That is correct.

Mr. CHARLTON: The minister said this afternoon that there has been no decrease in the production of any article except butter.

Mr. GARDINER: No, I did not say that. I said there was no shortage. The hon. member said there was a shortage of all these porducts in Canada. I said there was not a shortage.

Mr. CHARLTON: There has been a decrease in the production of several articles?

Mr. GARDINER: Yes; that is correct.

Mr. CHARLTON: The minister did say that so far as our domestic requirements are concerned there was no scarcity except in butter. Is that true?

Mr. GARDINER: Yes.

Mr. CHARLTON: It may be true that there is no scarcity so far as our domestic requirements are concerned, but surely this country has to live up to the commitments we made last spring to the United Kingdom. Surely this government is not considering only our domestic requirements at a time when there is the greatest food shortage the world has ever known. Surely we are planning to feed the United Kingdom and the world in general during a period of near famine. The minister said this afternoon that he had made more on his two heavy hogs than he had made on his grades A and B.

Mr. GARDINER: I have the statement in my pocket to-night.

Mr. CHARLTON: That was the statement the minister made this afternoon. Was that per 100 pounds or per hog?

Mr. GARDINER: Per hog.

Mr. CHARLTON: If that be true, I suggest that the whole balance of our hog grading system that we have worked for twenty-five years to get can be upset in three months. We have worked to try to keep the Untied Kingdom market for hogs. If the minister's statement be true, I suggest that some change should be made, either the dollar bonus that was taken off be put back on or—

Mr. GARDINER: May I suggest that I should not have made the reply I did this afternoon on this item at all. We are not on the item dealing with hogs. I called this item for the purpose of discussing the subsidies on milk. We shall have ample opportunity at a later date to discuss hogs. We got off the track for a moment, and I hope others will not follow that practice.

Mr. CHARLTON: The minister made the statement.

Mr. GARDINER: Do not make me make another one.

Mr. CHARLTON: We shall forget about hogs for the moment. The Agricultural Prices Support Act was passed in 1944. Is it the intention of this government to put that act into force this fall when the subsidies are taken off milk? I should like the minister to make a statement regarding that.

Mr. GARDINER: I made a statement with regard to that before recess. The statement is that it will not be put into effect, and there is no reason for putting it into effect in connection with any farm product until that farm product threatens to drop below the returns which farmers were receiving in the three years preceding the session during which the act was passed.

Mr. CHARLTON: Are the farmers to be placed in the same position as they were in 1941 when ceiling prices were frozen at a lower standard? Are prices to be allowed to drop below present prices and then a price floor put on at that lower price?

Mr. GARDINER: Three years prior to 1945 do not bring you back to 1941.

Mr. ROSS (Souris): With regard to these subsidies coming off on June 1 or September 30, does the price ceiling on whole milk still apply, or is the ceiling eliminated too? Do producers sell on the open market then?

Mr. GARDINER: The ceiling is then set as it was before. The price at which milk is marketed is set by the milk boards in the provinces.

Mr. BRYCE: I wish to touch on the statement made by the minister this afternoon. Has the wartime prices and trade board washed its hands of the milk business?

Mr. GARDINER: The wartime prices and trade board will be through setting prices of milk immediately the provincial milk boards take over.

Mr. BRYCE: That is September 30.

Mr. GARDINER: That is on June 1.

Mr. BRYCE: The minister said that the subsidy of fifty-five cents per 100 pounds would remain until September 30.

Mr. GARDINER: Yes; the reason for that is that the prices board had the intention, ever since they took over, of eventually turning control over the marketing of milk back to the provincial milk boards that were set up for that purpose. In any discussions that have taken place they have always given the undertaking that they would try to turn it back as they took it over; that is, they would not leave the boards in the position where in twenty-four hours they hand them back the problems that have been created and ask them to take over from there and try to fix things up. What they are doing is saying to the boards: "You start to operate on June 1. We are taking off the consumer subsidy, but we are going to continue the producer subsidy until September 30." We are saying this through the Department of Agriculture, but the two have been working in cooperation all the time. We said, "We are going to continue the producer subsidy until September 30." That gives four months from June 1 to September 30, with the producer subsidy being paid, for the milk boards, producers and consumers in the provinces to adjust themselves to the new condition and control.

Mr. REID: What will that subsidy be?

Mr. GARDINER: It will be fifty-five cents, the same as it has been throughout the winter. It dates back to May 1 and continues right through; payments are made right through on the basis of fifty-five cents.

Mr. BRYCE: I am annoyed about this two cent consumer subsidy coming off, because when you take that away you immediately strike at the women and children. There are many other subsidies we would be far better able to remove than the consumer subsidy on milk. Milk is the cheapest balanced food in the world to-day, and by doing this you are going to deprive a great many needy families of milk.

Mr. REID: They can drink less pop.

Mr. BRYCE: I may tell the hon. member for New Westminster, who says they should drink less milk, that we want them to drink more milk than ever.

Mr. REID: I said they should drink less pop, less Coca-Cola and things like that.

Mr. BRYCE: Well, I don't know; I never drink pop myself. I was never more serious in my life than I am about this milk situation as it affects the children of Canada to-day. The government knows what resulted from our children being undernourished in the thirties; when we needed those boys to fight a war for us we found they were not physically fit, largely because they had not had sufficient milk to drink. We have had girls going to school in the larger cities of Canada and fainting, and doctors have said that if they had plenty of milk to drink that would not happen. In my opinion the government is making a mistake in taking the consumer subsidy off milk to-day. The consumer should be the last person to be interferred with where milk is concerned. I do not know what influence the Minister of Agriculture has with this cabinet, but I believe this matter should be reconsidered before June 1. The minister will remember I used to tell him how to go about grading hogs, that it should be done gradually, and that is the way this thing should have been done. Instead of that the government takes away the whole thing at one time and does not let people become accustomed to paying one cent a quart more. All at once they will have to pay two cents more, and I do not think that is right.

Mr. GARDINER: We are all equally concerned in regard to children getting milk, but the position is hardly as it has been described. The first request for the removal of the subsidy came from the dairy branch of the Canadian federation of agriculture. That was two years ago, I think, or a year ago at the very least.

Mr. BRYCE: Was that the consumer subsidy?

Mr. GARDINER: Yes. The suggestion was made this spring by similar sources that we have been too long in doing this, that the only time you can take off a consumer subsidy is in the flush season of milk production. It was suggested, in the discussions which have taken place with regard to this matter, that we should have taken it off earlier, the reason being that it should not be necessary in the flush season to charge the whole two cents up to the consumer. Of course in increasing the producer subsidy on milk it is a fact that this subsidy does take care of the returns of the producers, which will make it possible for milk boards in the provinces to consider whether or not, at any time within the next five or six months, they should consider in any event putting the whole cost of the removal of the consumer subsidy on the consumers of milk. Those are all facts which were in the minds of persons who had to consider when this ought to be

done, if it ever should be done, whether it should be done in the fall of the year or in the spring. On balance it was finally agreed that the best time to do it, if it were to be done, was in the flush season of milk production, the season we are going through now. So from that point of view the decision was made to announce the removal of the consumer subsidy at the same time as we announced the increased producer subsidy being allowed on whole milk, giving four months in which to adjust the situation to meet whatever conditions prevail next fall.

Mr. COLDWELL: I am sorry it has been found necessary to remove the subsidy on milk supplied to consumers. I agree with the hon. member for Selkirk that the more milk we can encourage our people to use, the healthier they are likely to be. Of course if this were being done in order to restrict the use of milk so that we might assist those in the areas of starvation the matter might be looked at a little differently.

What I really rose to say was that I was a little surprised at a statement made by the minister this afternoon, which I wrote down as he said it, in connection with the supplies that we are sending overseas and what we are doing in connection with the feeding of the starving world. He said: "We are going far beyond anything we were justified in doing."

Mr. GARDINER: I meant with regard to grain only.

Mr. COLDWELL: That was not clear in my mind, and I thought it would be a pity if that were interpreted elsewhere as I interpreted it—

Mr. GARDINER: Feed stuffs particularly for live stock.

Mr. COLDWELL: —because, while I would like to commend the government for what the government and the country have done in regard to meeting the needs of the starving people of the world, my opinion is that we could do more than we are doing to give that relief at the present time. I do not want to say anything that seems a bit invidious, though it may be; but in comparison with the disappointing record of our great neighbour to the south I think we have done well, though I do not believe we have done nearly all we might. I notice that in the newspapers to-day, as I noticed a few days ago, we were told that Great Britain out of her meagre supplies is going to allot some 200,000 tons of food more to the starvation zones of Europe and in order to assist as far as possible in the relief of a threatened famine of huge dimensions in India.

Mr. GARDINER: Most of which will be wheat she got from Canada.

Mr. COLDWELL: That is quite true. But I have been greatly surprised to read a suggestion in the newspapers by a prominent United States citizen who has been across the world that Great Britain should relinquish her supplies in order to assist, the inference being that these small reserves will be useful in order to meet the needs of the world. While I do not know just what the position is regarding reserves in Canada, I would say this immediately: that having been twice overseas during the war, and receiving frequent letters from friends and relatives across the seas, I believe the condition over there is worse now than it was at any time during the war, and I can well understand why a few reserves should be kept on that island. We must realize that every ounce of food that is imported has to be brought in by ship, and that in the event of a drastic coal strike in the United States, or anything else that would interfere with the shipping of food from this side of the Atlantic, with no reserves they, too, would be faced with starvation in a very short while. I think we should do everything we can to send every available ounce of food to the starving people of the world. We should say nothing and do nothing that would lend any colour to the idea that has gone abroad in some quarters that the United States is doing a very great deal, that we are doing a very great deal and that there are reserves across the seas which might be used to assist in the needs of the world.

Mr. REID: Are not some of the difficulties confronting the people of Great Britain to-day, so far as food supplies are concerned, on account of the fact that a great proportion of their food is going to Germany?

Mr. COLDWELL: That is right.

Mr. REID: It is not actually on account of a lack of food.

Mr. COLDWELL: I was saying that, that she is supplying starving countries. Undoubtedly one of those starving countries is Germany. We defeated Germany, and we have very little sympathy for those who brought a terrible holocaust upon the world. Yet, starvation in Germany would breed further difficulties, and ultimate revolt in Europe would react upon the rest of the world. Even if we had no other reason for doing all we can to feed the starving people of Germany, self-preservation demands that we shall do so. While during the war we may have been pretty bitter against Germany, and might have suggested that she be made to suffer as she made the rest of the world suffer, nevertheless to-day we have to view the situation in a more realistic light, and realize that if certain events

happen in Germany, and particularly in that area of Germany which the British control, we are going to suffer for it.

I do not want to be out of order when discussing this item. But since the matter was raised by the minister in his statement this afternoon, at least in one part of it, I felt that one was entitled to say a few words on this point. After all, in our own country we are enjoying more than double the calories most of the people even in the fairly well fed parts of Europe are getting at the present time.

I believe the government could well urge the people to cut down a little more on what we are using, and to cut out some of our luxuries. I think we could do with a little less ice-cream, if necessary. And those who drink liquor could do with a little less malting barley than is going into liquor.

Mr. GARDINER: On a point of order, I do not wish to have to answer all these things.

Mr. COLDWELL: I do not expect the minister to.

Mr. GARDINER: If I do we shall be discussing this question all night. I understood we were discussing an announcement made with respect to milk. It has been suggested that I raised these questions but I did not. They were raised by the hon. member for Melfort. I simply answered some of the things he said. If we are going into all those discussions, the whole of my estimates will be covered under this one item. I do not want to have to answer these things three or four times.

We are discussing milk subsidies, and I shall give all the information I can with regard to them. When that is finished we can go on to other agricultural estimates.

Mr. COLDWELL: I shall be very glad to fall in line with the minister's suggestion. But I wish to say that I understood the minister—and I think if he will look at *Hansard* he will realize it was a pretty bald statement—

Mr. GARDINER: The statement has entirely to do with feed grains.

Mr. COLDWELL: It was not I thought confined in that way.

Mr. GARDINER: If the hon. member will read *Hansard* he will find it is.

Mr. COLDWELL: We will both read *Hansard*.

Mr. CHARLTON: Do we understand by the minister's statement regarding consumer subsidies on milk that the farmers will be expected to reduce the price in order to take up those two cents, which will mean approxi-

mately eighty cents less for their milk this summer, after getting the 20-cent rise in subsidy, with the increased cost of production? I think all farmers in Canada realize that the consumer is an important person. We, of all persons, remember that fact. At the same time, with the increase of twenty cents in subsidy, and then asking them to take part of that two cents, it would mean sixty cents less for their milk.

Mr. GARDINER: What I am suggesting is that that decision will be made by another authority, and that is an authority which is much closer to my hon. friend's own home. In other words, it is the central authority in Toronto, which is set up to deal with milk. I am not going to anticipate what decision they will make. They have complete authority to make a decision, just as the prices board has had authority in the past. I presume they are going to pass upon the facts as they find them.

Mr. CHARLTON: But the minister will agree that it will put the farmer in a very poor light with the consumer.

Mr. GARDINER: Not if you have a good board in Ontario—and I think you have.

Mr. TUSTIN: Do I understand from the minister that he now says that the Ontario milk board—and I take it that that is what he is referring to—will have the right to set the consumer price on milk? They never have had that right before, have they?

Mr. GARDINER: Yes.

Mr. TUSTIN: No, they never have had that right before. They have acted more or less as referees when distributors in certain centres have petitioned to set a price. They have acted in that capacity.

Mr. GARDINER: Yes.

Mr. TUSTIN: But they have never had the right to set the consumer price for milk, and I doubt very much whether they have that right to-day.

Mr. GARDINER: They can be given it.

Mr. TUSTIN: I am told they have not. I should like to ask a question, following up what has been said by my colleague the hon. member for Brant. Is the farmer to be expected to reduce the price of milk to the distributor, or is the general public or the consumer to pay the same price per quart for milk as he is paying to-day.

Mr. GARDINER: If I remember correctly, the set-up we are talking about was put into effect by the government of the Right Hon. R. B. Bennett. Most people in Canada

thought he did a very good job in making possible the milk boards that they have in the provinces. This was done as a result of discussions which took place at that time, and the decision arrived at was that the authority rested with the provinces.

There was no authority with the federal government at all, in ordinary times. The authority was with the provinces, in dealing with matters of that kind. So they have set up boards in every province of Canada, with the exception, I believe, of British Columbia. In its last session British Columbia passed legislation setting up its board. The result is that every province in Canada has a board which has the right to exercise any authority given it by the provincial legislature with regard to the marketing of milk within the province. They have control over the marketing of milk, and they will make the decision on the question now raised. I shall have no authority to make it, and I am not going to say what will be done.

Mr. CRUICKSHANK: I think the minister is entirely wrong about the board set up by the Bennett government. If I remember correctly, the board then set up was the dominion marketing board, and I understand the court in England threw out that legislation. Does the minister say that the provincial commissioner has power to set prices for milk or dairy products interprovincially?

Mr. GARDINER: There are nine departments, and I should not like to state to the committee, without any of the facts in front of me, just what authority each one has. But they have whatever authority was given them by the respective provincial governments.

I am speaking from memory—and the hon. member for Haldimand will correct me if I am wrong—but I still think what was done was done by the Bennett government. I remember the hon. member for Haldimand stating at the last session, during a discussion with respect to setting up another board, that it was determined at that time that in dealing with commodities such as milk, which are produced to a great extent in the same province in which they are consumed, the authority is with the provincial governments. As a result of that, you have nine different boards handling the marketing of milk, with any authority they have given to them by the provincial legislatures. All the regulating from June 1, on, will be turned back to those boards, from which much of the authority was taken by the prices board when it was set up in 1941.

Mr. HANSELL: I am sorry if I was not in the chamber when the minister made his announcement, but I cannot be in two places at once. I was attending a committee meeting and I am not twins. I may be speaking out of turn, not knowing exactly what the minister's announcement was, but it seems to me that there are one or two things we have to determine. I have listened to the discussion and I have yet to understand why this subsidy is now being done away with.

I should like to ask three questions. Is it because the minister wants the people of Canada to have more milk? Is it because he wants the producers to get more for their milk? Is it because he wants the consumer to be able to buy more cheaply and consume more milk?

I listened to the remarks of the hon. member for Selkirk and I believe he is on the right track. What are we considering in connection with this matter? Are we considering the good of the people of Canada with respect to these subsidies? The minister followed the hon. member for Selkirk and said that they were very much concerned about the consumption of milk by the people. The minister, speaking for the government, said, "We are worrying about that." I am going to suggest that there is something else the government is concerned about, that is their treasury. I do not think I am wrong when I say that this announcement has as its background the financial policy into which the government have let their feet slip over the past years.

They struck out with a policy of family allowances, and that cost a lot of money. They have done other things along similar lines which also cost a lot of money. I am not arguing against family allowances, but there is a little suspicion in the back of my mind that they did that as a political move. What I am saying now is that they have to cut expenses somewhere and this looks to me like one of the first announcements in an expense cutting programme.

Another thing the government has to do is reduce taxation. You cannot continue to spend and reduce taxation and balance your budgets. It just does not add up. I think it was rather unique, even though it was not clever, for the Minister of Agriculture to rise this afternoon and call for a certain item in order that he might make this announcement. As a matter of fact, although we may appear to be discussing milk, what we are actually discussing is something that comes under the Department of Finance because it is a subsidy. The Department of Finance has found itself in a box, and

I would add that the whole financial policy under which the government has been working for years is beginning to crack down. If the minister does not change that policy the government is going to crack down with it, or crack up.

An hon. MEMBER: Blow up.

Mr. HANSELL: Perhaps blow up. I am saying something now that I believe to be true. Are we considering the people of Canada in this matter, or are we considering the interests of the treasury in order that the government may meet the demands of the people for a reduction in taxation and still carry on some of their huge expenditures? I should like that answered and perhaps I shall have to wait until the budget before it is answered. While it is the Minister of Agriculture who is taking on this matter, rightly the Minister of Finance should be doing it. I notice the Minister of Finance is in his seat taking note of all that is being said.

I shall close my remarks by saying that the only way a country can be prosperous, the only way the people of a country can be happy and contented is to have an expanding economy. You cannot have an expanding economy without spending lots of money. Personally I am in favour of subsidies because they mean an expanding economy. I am in favour of anything that will put money into the pockets of the people. But there is juggling being done in these days. That was the trouble with the dominion-provincial conference. That conference was a matter of juggling with taxation, seeking to pull this piece over here and push that piece out over there. It was a case of saying, "You take this and I will take that." We might as well face the facts. There is no use in trying to put money into people's pockets with one hand and trying to pull out the same amount with the other.

Mr. FAIR: Take the pocket with you.

Mr. HANSELL: The hon. member for Battle River says, "Take the pocket with you."

An hon. MEMBER: And the pants too.

Mr. HANSELL: Yes, and the pants too.

Mr. MacNICOL: Draw the line somewhere.

Mr. HANSELL: We have to draw the line somewhere. We can talk about the people of Europe; we can talk about other things, but I suggest that we are missing the mark when we talk about them. Those are incidental big problems, but I am suggesting that this is a problem which comes from the treasury and is being put to us in this way.

[Mr. Hansell.]

Mr. GARDINER: In answering what has just been said I would recall that only two days ago, I believe, the hon. member for Macleod added his voice to that of a number of other hon. members who were complaining because too many announcements were made on the orders of the day and on motions and could not be discussed. It was said that the ministers were getting into the habit of making statements on important matters at a time when no one could say anything about them. The only reason this announcement was made in this way was to give every one an opportunity to say something about it.

We were considering whether it should be made by two ministers or one, but then the proposal was made that the announcement should be made on a certain item in my estimates so that everyone could discuss the matter. If we are to be criticized one day for putting out statements on motions in order to get them out to the country and then criticized when we make a statement before the house in committee of supply in order that the subject matter may be fully discussed, then I should like to ask the hon. member for Macleod when we can bring them in. When are these announcements to be made? I think they have been made in the proper way. We have even given the hon. member for Macleod an opportunity to make his speech and show that he thinks differently to-day from what he did a few days ago.

As to the other matter, the ceiling price of milk across Canada is set at different levels at different places, depending on the district. That ceiling still remains. What has been done is to take off the two cents subsidy, which was paid in this way. In a city like Ottawa, for instance, if the ceiling price on milk is twelve cents the consumer pays ten cents, and the distributor of the milk collects two cents by way of subsidy, called consumers' subsidy, which makes it possible for him to deliver the milk at two cents less than the ceiling price in this community. When the distribution of the milk is handled by some other authority, they may or may not charge the consumer more. If they do not charge the consumer more, then on the principle that people will drink more milk when they can get it more cheaply, there will be just as much milk consumed under the new plan as under the old. If, on the other hand, they increase the price of milk to people living in a particular area, the authority to which they appeal is much closer to the situation than any authority which operates in Ottawa alone.

It is a further fact that conditions are not the same in the different provinces or in different parts of the same province. There

are areas where milk is sold at seven, eight or nine cents a quart, and other areas where it is sold at twelve or thirteen cents a quart, depending upon the community. All the facts in relation to these communities are best known to the boards appointed by the provinces to deal with these matters. While control has been put back under these boards, we are simply following out the policy which was announced at the very beginning, namely, that these controls were put on under the War Measures Act without which we had no authority by any other statute or under the constitution to go into a province or into homes and do the things in war time which in ordinary times we could not constitutionally do.

We were told very politely in the meetings that were held and which were referred to a few moments ago that there are some people in the dominion who do not intend that we should continue exercising that authority. If that is the case, we had better turn back the authority as peacefully as we can to where it belonged in the first place, and do so as soon as possible. That is one very good reason for doing what we are doing. It is not intended that the mere doing of this shall determine any one of the three questions that were asked by the hon. member for Macleod at the beginning of his remarks. We are simply trying to restore the peace-time relationship as between the federal government and the provinces. This is one of the matters that must be dealt with at some time, and it has been suggested that this is the proper time to do it. There has been no question in anyone's mind that it would have to be done eventually, and the only question that remains is whether now is the time to do it or whether we should wait for another six or twelve months. I presume that my hon. friends of the Progressive Conservative party, judging by their speeches, would say that we have waited six months too long.

Mr. SENN: I am one of those who think we have waited too long. A little while ago the Minister of Agriculture brought my name into the discussion when speaking of the milk boards in the different provinces. I happened to be chairman of the committee on agriculture during the Bennett administration. That committee made an investigation into the whole milk question and recommended that boards be set up in the provinces because the provinces had the right to set prices. I think those milk boards did a good job.

I was sorry to learn from the minister's remarks that there is still a ceiling on the price of milk delivered to the consumer. If that ceiling remains I do not see that the milk boards in the provinces can do much good by setting a price on milk, because it will be governed entirely by the present ceiling price of milk. I hope that that restriction will be removed very shortly.

It is all very well to say that we are not going to pay a two-cent bonus on milk delivered to the consumer; but if the milk board is to be stymied, if the board is to be put in the position where it must govern the price it sets by the ceiling price on milk at the present time, it will not get very far. It seems to me that that upsets the whole argument advanced by the minister in regard to removing the subsidy on milk at the present time. Since the minister has gone at least part of the way in accepting the policy laid down by our party I think the time has come for him to go the whole way and remove the price ceiling. I have a good deal of sympathy for the minister, because I do not think he is altogether in sympathy with the policies of the wartime prices and trade board at this time. Perhaps he is, but I do not think so. He is enough of a farmer to know that farm prices should not be governed as they are now by price ceilings set by the wartime prices and trade board. I hope that he will be successful in his fight with the wartime prices and trade board and will succeed in having the price ceilings changed, or at least that they will not be set as they are to-day by the prices board.

Mr. GARDINER: Before there is any further discussion I think I should reply to the last remarks of the hon. member. The wartime prices and trade board was set up to do a job in connection with the control of prices. I am candid enough to say that any farmer, as has just been suggested by the hon. member for Haldimand, would look with some misgivings at the suggestion that there be ceilings put on prices.

Mr. SENN: They still do.

Mr. GARDINER: But if you look back over history, you will find, and you have only to take a drive through rural Ontario to prove it, that the better farm buildings were all built during war periods, as you can see by the dates on them. Some were built in the Crimean war, some in the South African war, some in the first great war; and the only reason we did not build more during the last war is that we could not get the materials.

Mr. SENN: There was one built in my riding.

Mr. GARDINER: An occasional one may have been built but we have not built as many as we would have liked to build. That proves that the only time that farmers were able to get better than the ordinary revenue out of farming was during a war period.

Mr. SENN: Not in this war.

Mr. GARDINER: That is just what I am coming to. The difficulties the farmers went through before this war were caused by the preparation for war in other parts of the world, which resulted in no markets for our products. Then we came into the war, and the reason why the farmer had misgivings and why I had misgivings was that the farmer was denied the right to get very much more for his eggs than he got, very much more for his hogs than he got, very much more for his beef than he got and, more recently, more for his wheat than he got. That was all done under a control policy in order to prevent inflation. What I said, what many others said, what the majority of the government said—or it would not have been done—and what the whole government agreed to finally after discussion was that, in view of the fact that the farmer's price was held down during the war for at least three years, for a number of years after the war, provision should be made that the return to the farmer—call it price or subsidy plus price or whatever you like—was not to be allowed to go down unreasonably. If you maintain that policy long enough, then you will balance the fact that prices otherwise would have gone down against the fact that you did not allow them to go up.

I was asked a few moments ago, "When are you going to bring the price floor bill into operation in connection with these dairy products?" I answer, just so soon as prices of dairy products begin to go down to the level or approaching the level at which those who are working on statistics every day, as they have been now ever since that bill was passed, indicate that we are approaching the point where the farmer is being asked to take less for his product than he should have taken. That, by the way, is the answer to the suggestion made a few moments ago by the hon. member for Macleod.

It is not purely a financial question, as the hon. gentleman suggested. The financial side of it, in relation to the farmer's problems, is taken care of by the floor prices act which was passed in the last session before the election. This committee can rely upon it that, when it becomes necessary to apply the terms of that act, they will be applied, and it will cost just as much to apply them as it would to continue subsidies or anything else in order to give protection to the farmers.

The act provides $200 million with which to do that job, and we have not spent that much on this kind of thing in any of the years we are talking about. Therefore it is not a matter of the treasury trying to protect themselves. But when one hears an hon. member say that all we are concerned about is the treasury, the question presents itself: What is the treasury? The treasury in that sense means the money we are taking out of the pockets of the Canadian people; and when an hon. member says that we are thinking in terms of taxes, of course we are. But they are taxes paid by every person in the country in some form or another, and anyone who tries to run away from that resonsibility should not be in this house. That is the main job the government has: in the first place, trying to determine to what extent the people can pay for the cost of running the government; at the same time trying to collect more heavily from those who are in a position to pay most, and then, by such measures as the family allowance, to redistribute those funds back, in some part at least, to the people who did the work in order to make the production of wealth possible. That in a few words is the policy in relation to the whole matter. It has been put into effect throughout the war; it is still being put into effect, and that is one of the reasons why we are still here—to put it into effect.

Mr. SENN: I do not think the farmers of Canada found fault with price controls during the time of the war. They were willing to do their share and they did it.

Mr. ROSS (Souris): And a great deal more than their share.

Mr. SENN: They produced to the limit. They feel now, however, when the war is over—and the minister will agree with me in this—that the time has come when they should have some reward. They bore their fair share of the burdens of price controls during the war—perhaps more than their share—and now that the war is over, they feel, quite rightly, that they should get their fair reward for what has happened in the meantime.

Mr. ILSLEY: I am sorry if we are to get into a discussion, on this item, of the merits of price control. I hope we shall not do so, because there is another debate in the house in which that question can be discussed. I find it hard to sit here and listen to the doctrine I hear propounded, that is to say, that at such a time as this, when the inflationary pressures are so great as they are now, this is

the time of all times to take the lid off. I find it impossible to sit here and listen to that sort of thing with composure.

I simply want to make clear one thing with regard to the consumer milk subsidy. The situation on June 1, will be that the maximum, the price ceiling, will be established; that is, two cents higher than the consumer is paying at the present time. That will be established by the wartime prices and trade board, but thereafter the matter of adjustment in prices will be in the hands of milk boards.

Mr. SENN: Prices to the producer?

Mr. ILSLEY: The prices charged for milk, yes.

Mr. SENN: Paid for milk.

Mr. ILSLEY: Paid for milk; it is the same thing. I do not think there is anything more I can say.

The CHAIRMAN: Following what the Minister of Finance has said, may I remind the committe of the rules which are in effect in committee, according to which all discussion should be relevant to the item under consideration. There has been considerable latitude so far this evening, but I suggest to the committee that future discussion be confined strictly to the item under consideration.

Mr. REID: The criticism that has arisen since the announcement has been made by the Minister of Agriculture is something about which a few members on this side of the house have been warning the government for at least the past one or two years. I think I can speak with the support of the member for Fraser Valley (Mr. Cruickshank) in this assertion, that the subsidy of two cents to the consumer does not meet the views of the farmer in the Fraser Valley. That is a definite statement. The hon. member for Selkirk brought up the question of milk consumption. The hon. member for Fraser Valley and I are members of the Fraser valley milk producers' association and we found that when the price of milk went up one cent the consumption of milk fell. It did not fall because the people had no money with which to buy milk. Consumption did not fall because the price had been raised. There was a psychological factor operating in the minds of many people against paying extra money to farmers for a good product. To-night when the hon. member for Selkirk was speaking I mentioned Coca-Cola. There is something strange that I have observed. You can raise the price of soft drinks, cigarettes, candy bars and there is no attack from the public, no criticism. But try to raise the price of milk one cent and the whole country is up in arms. One thing that is bothering me is this: What will happen when the subsidy comes off? I am not advocating that the ceiling price be taken off the price of milk at the present time, but I am wondering what the farmer is going to do when the subsidy comes off at the end of September, because it is well known that he cannot produce milk at the price he is receiving if the subsidy comes off.

One reason why our people are not going on the land is that it is far easier to work in the city than it is to milk cows. I speak as one of the few members of the committee who can milk cows.

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: Order.

Mr. REID: I know whereof I speak. I should like to take on any hon. member if he is talking about a competition.

Mr. ROSS (Souris): Go and get the cow.

Mr. REID: I certainly am speaking with more authority as a farmer than many of the lawyers and others who speak on the subject. I know whereof I speak. When the subsidy is lifted we are wondering what is going to take place on the farms where farmers are endeavouring to produce milk under present conditions, and will have to accept less when that time comes.

Some mention has been made about our people drinking more milk. We shall have to educate the people and their children to drink more milk. What do we find with regard to the drinking of milk? If you go into a restaurant or cafeteria and look around you will find it is the grown-ups who are drinking more milk, not the children. The children are drinking soft drinks. I have been told that in the canteens of the three services more milk was drunk by the members of the services during the war than any other kind of liquid, and that is all to their credit. What we need is to educate the parents and their children to drink the finest food that God has given us.

Mr. ROSS (Souris): I am not entirely clear yet on this price control situation. I asked the Minister of Agriculture a pointed question a few moments ago. I understood him to say that after the subsidies came off the wartime prices and trade board were entirely through with the control of milk prices. From that time on it was a matter for the provincial boards. What the Minister of Agriculture said since, and what the Minister of Finance said a few moments ago have confused me again. I wish this point cleared up. In the section of the country from which I come

many dairymen are supplying towns of one or two thousand population. When the order setting the ceiling price came into effect the prices that they were charging the inhabitants in the towns or cities were not all the same. The prices at which they were selling were the prices that existed when the freeze was put on. I want to know whether there is any further price control on the small dairy producers when the subsidies come off. Hitherto in my province they have received no direction whatever from the provincial dairy boards. Are they entirely clear of price ceilings so far as the wartime prices and trade board is concerned? From that date on can they set their own prices for their whole milk?

Mr. REID: May I say one word regarding boards? I know something of the power of boards because I have had a good deal to do with them. I am now speaking of British Columbia and I suppose this applies to all the provinces. The provincial boards were given the power to control all matters absolutely so long as the articles for sale were sold within their provinces; but if the article, whether it be milk, fruit or potatoes, were exported to another country or province, then the regulations and power of the dominion applied. But so far as the provinces are concerned, these provincial boards have all the power they need. That is the information I have received.

Mr. ROSS (Souris): Might I have an answer to my question? So far as the federal order is concerned, is it completely eliminated on that date?

Mr. ILSLEY: I tried to make it clear before that on June 1, that is beginning with midnight on May 31, the consumer subsidy will be withdrawn, and the ceiling price, as it was before the consumer subsidy was paid, will be restored. That will be the situation on June 1. Now, then, that will be the way the period after June 1 starts off.

Mr. SENN: The price will be twelve cents?

Mr. ILSLEY: In many markets, I think in Ottawa, the price to the consumer is now ten cents, and with the withdrawal of the subsidy the ceiling will be twelve cents.

Mr. ROSS (Souris): It varies in different districts?

Mr. ILSLEY: Yes; it is different all over Canada.

Mr. TUSTIN: Two cents above what the consumer is paying to-day?

Mr. ILSLEY: Well—

Mr. CRUICKSHANK: No.

[Mr. J. A. Ross.]

Mr. TUSTIN: The subsidy is paid directly to the distributor. Will the ceiling be placed at two cents above what the consumer is paying?

Mr. ILSLEY: That is substantially correct, yes. I do not know whether it is 100 per cent correct, but it is substantially correct. The ceiling that was in existence before the consumer subsidy was instituted, which was in December, 1942, if I remember correctly, becomes the ceiling. There may have been some adjustments in some districts in the meantime. Substantially that old ceiling comes back.

I wish to point out, while I am on this subject, that this subsidy is the only one in existence that has had the effect of depressing the price of a product to the consumer below the price that he was paying in the basic period, the fall of 1941, with the result that milk prices in Canada are remarkably low by any comparison that can be made, especially with milk prices in the United States. On leading markets there the prices are very much higher than they are in Canada. I say that in answer to the hon. member for Selkirk who is worrying about the fact that with the elimination of the subsidy the consumer will be obliged to pay more. That is so, but he will not be paying more than he was paying during the basic period, namely, the fall of 1941. That is substantially true from coast to coast. There may be a few exceptional communities where adjustments have been made, but that is substantially the case.

I wish to make this point clear: If the control of the price of milk is to be restored to the provincial authorities pursuant to a policy of gradual decontrol, then it follows that we cannot continue to pay a federal subsidy, because it would be sheer irresponsibility for the government to leave the fixing of the price to provincial authorities with freedom to them to put it up or down, and at the same time be pouring in federal money. If the federal government is to continue to pay a consumer subsidy on milk it must continue to control the prices, it must continue to be the authority which fixes the price.

Mr. McMASTER: That is Drew's argument in reverse.

Mr. ILSLEY: I do not want to get drawn into a cross-current like that.

Therefore, if we are right in decontrol, then we have to withdraw this consumer milk subsidy. I think we are right because, as time goes on, it becomes increasingly difficult for the federal authority to be fair in the adjustments which it makes. For example, a situation might arise in Saskatchewan which called

for an upward adjustment of the ceiling price. If the federal authority is the body that is fixing the price at which milk is sold that action is cited as a precedent in other provinces, and accusations are likely to be made that there is discrimination by the federal authority between one part of the country and another; whereas in a country such as this, conditions vary greatly, and in such a matter as the fixing of milk prices—I do not say everything, I may say to my hon. friend—surely it is more appropriate for the local boards to be fixing them than the federal authority. We should get to that position as soon as possible.

I also wish to say that this is a remarkably difficult subsidy to administer. I suppose hon. members realize that every month from twenty to twenty-five thousand cheques have to be sent to dealers and distributors in all parts of Canada; and without a large and competent staff, which the board finds it difficult to maintain, it is difficult to apply fully and satisfactorily the safeguards that ought to be applied to the expenditure of public money. There is no doubt about that; and the board is finding it increasingly difficult to keep a competent staff. Members of their staff are going back to their businesses and to the employment from which they came. This highly involved and complex consumer milk subsidy is the sort of thing that it is increasingly difficult to administer.

Those, I think, are the main points I wanted to cover. The hon. member for Souris asked me a question which I find it a little difficult to answer.

Mr. ROSS (Souris): I find it difficult to understand.

Mr. ILSLEY: No, it is not difficult to understand, but the part of the question I am finding it difficult to answer is this. The hon. member says there was no control whatever exercised by the provincial milk boards in some parts of some provinces, and he wants to know whether this policy involves removing some sales completely from control. I cannot answer that.

Mr. ROSS (Souris): As far as your authority is concerned.

Mr. ILSLEY: I cannot answer that.

Mr. HATFIELD: You are keeping the ceiling on milk.

Mr. ILSLEY: We are restoring the 1941 ceiling on June 1, and then we propose to permit the price to be fixed and controlled by the local boards.

Mr. SENN: That is the producer price?

Mr. ILSLEY: I want to go ahead with this and get to the bottom of it. If I can answer it I will say so, but I do not think I can. The hon. member for Souris says there are some sales of milk in some parts of some provinces which were never subject to the control of milk boards. I did not know that.

Mr. HATFIELD: That is the case all over Canada.

Mr. ILSLEY: I did not know that, and I do not pretend to know everything about this question. I was given to understand that the milk boards in the provinces had authority to control the prices of all sales of milk, with the exception of British Columbia, which was setting up a board. I thought that was the practice that would be resumed.

Mr. ROSS (Souris): Then in that case you would not interfere if the producers in those areas went out and increased their prices; that is, there would be no interference as far as your board is concerned?

Mr. ILSLEY: That is a situation I would have to look into.

Mr. SENN: The milk boards will set those prices, surely.

Mr. ILSLEY: I thought they would; I thought it was a matter which the milk boards in the provinces could and did control. If there is a situation, a real problem there of some sales not being under the control of anybody, then it is a matter I shall have to look into.

Mr. GARDINER: I think I can explain what the hon. member for Souris has in mind; at least I want to find out if it is what he has in mind. In the provinces of Manitoba and Saskatchewan there is no milk control except in the cities.

Mr. ROSS (Souris): That is it.

Mr. GARDINER: In Saskatchewan there is control in Regina, Saskatoon, Moose Jaw and Prince Albert, and there may be a little control in places like Battleford; but there is no control at all outside those cities. There has never been any control there; the board never attempted to go out and say what I should pay another farmer for milk, or even what the people in the smaller communities should pay.

Mr. ROSS (Souris): Yes, they did.

Mr. GARDINER: They did within limits, but no one ever tried to enforce it seriously.

Mr. ROSS (Souris): They did enforce it right in my constituency.

Mr. GARDINER: When you get it back under the provincial boards you will not have much difficulty in that regard.

Mr. SENN: I should like to ask a simple question there. Did not the prices board set the price at which milk should be distributed in the cities? If they did not I am very much mistaken.

Mr. ILSLEY: Oh, yes.

Mr. BRYCE: I do not know whether the Minister of Finance really heard what I said. I stated I was very much annoyed because this consumer subsidy was being removed all at once. I thought that was too drastic, and I do not see even yet why the two cents should be taken off all at once. The hon. member for New Westminster spoke about the subsidy decreasing the demand for fluid milk, but that has not been the experience in Manitoba. We are selling more milk in Winnipeg to-day than ever before. If I am not mistaken, one month's production was up about two and a half million pounds. Hon. members will find the exact figures at page 1387 of *Hansard,* when I spoke in the house previously. We do not want the children to drink pop if they will drink milk. I cannot seem to get hon. members to realize that. Now that we have created a market for milk, let us not lose that market because of the removal of this subsidy. The more the people have to spend, the more they will buy; and if you take off the subsidy you are destroying the farmers' sale for milk; you are endangering the health of the people, and there are other disadvantages. I hope the Minister of Finance will reconsider this matter. Do not take off the two cents at once. If you must reduce taxation, do it gradually, but do not pick on the workingman first. Let him come later on. You have given in to the pressure of big business and taken off the subsidies and ceilings on different things the workingman has to buy. Now you are attacking the food he has to purchase. Please do not do that.

Mr. FAIR: On many occasions I have tried to point out to the house that the foundation on which our farm price structure has been erected in the past was entirely faulty. When the government brings into operation the good things that are supposed to be provided for us in the Agricultural Prices Support Act I hope some consideration will be given to the hours that are worked by farmers and their wives and families, and the prices they have to pay for the things they buy, before those prices are fixed. Perhaps hon. members will be surprised to learn that in July, 1942, we were receiving for our wheat an initial price of 17½ cents a bushel less than we were receiving when this government came into office in 1935, just when we were beginning to get out of the depression. Many people do not realize this and many other things in connection with agriculture. I should like to see the Minister of Finance, the Minister of Agriculture and the Minister of Trade and Commerce get busy and employ some real statisticians. I believe they now have such people in the government service, but under the policies adopted they are not allowed to do the work they should be doing in the interests of the farmers and, therefore, in the interests of all the people of Canada. So once again I am pleading that the price structure, as far as farm products are concerned, should be upon a sound foundation. Give the farmer the forty or forty-four hour week that you are giving to organized labour and all the rest of the people in the country, and when you have a prosperous agriculture you can look with confidence to a prosperous and united Canada; but you cannot have it otherwise.

Mr. GARDINER: May I suggest that we have had sufficient discussion on this item to provide all the information necessary in connection with it. We can come back to it and discuss it further when we take up dairy products, or if any further information is required now it might be asked for, and then this item might be allowed to stand so that we might go on to a consideration of the estimates.

Mr. HATFIELD: If prices of dairy products go below the cost of production, who will set the floor prices; will it be the provincial milk board, or the federal board?

Mr. GARDINER: The intention expressed at the time the bill was brought down is that if the marketing of farm products under the system that prevails brings a price which is satisfactory, as related to the actions taken during the three years referred to, there will be no necessity for doing anything under the floor prices bill.

Just by way of illustration, let us take the product which to a certain extent will control milk, one which has been considered in the past, namely cheese. Seventy per cent of our cheese is marketed in Great Britain. I would presume that the policy followed would be something like this: We will continue to market 70 per cent of our cheese in Great Britain. Under our agreement we now have we will market more than 70 per cent. The agreement provides for a return which is just as high as we got during the last three years of which we spoke. The only adjustment that is necessary is as related to the subsidy. The

price in the new agreement is the price we got for those three years. So that the floor is provided under cheese.

The position that has been dealt with through subsidies may also be provided for in certain agreements which are made. There is no necessity whatsoever for doing anything to put cheese under the floor prices measure.

One can apply the same principle to butter and to canned milk. When you have it applied to all those products it will have an influence upon fluid milk, and it is just possible that there will be no necessity for doing anything under the floor prices measure if we can maintain our contract and our supplies to Great Britain and to other countries. But if we are not able to maintain those floors, then we have the floor prices measure to utilize for the purpose, and it would be put into effect by the federal government.

It may require that we do like the prices board did. The prices board in making their operations effective utilized the services of the provincial milk boards. In dealing with some of these matters we may have to utilize the services of provincial organizations, too. I find that no one makes very much fuss about it, if you pay the money.

Mr. HATFIELD: I understand that if the price is maintained for three years after the war, and was maintained for three years during the war, floor prices do not apply. Is that right?

Mr. GARDINER: So long as the prices remain up at satisfactory levels you do not need to apply any compulsion or even persuasion—so long as they remain up there. It may be for a longer period than three years.

Mr. SENN: One thing is certain, that if the two-cent subsidy on consumer milk is removed, somebody has to pay for it. Is it to be the consumer or the producer?

Mr. CRUICKSHANK: It will be the poor farmer.

Mr. SENN: That is the thing I should like to know. If it is to be the producer it will be too bad for him. On the other hand, if it is the consumer—

Mr. GARDINER: It will be too bad for him.

Mr. SENN: Yes. Who will bear it? That is an important question, and the minister should answer it.

Mr. WRIGHT: I should like to compliment the minister upon having brought this matter before the committee so that it can be discussed. There is one thing about the Minister of Agriculture: He is never afraid to come to the house and to try to justify any action he takes. He is to be complimented upon that—even though I do not agree with him at this time. I think it is, indeed, a clever political move to turn back to the provinces the fight between the producer and the consumer, so far as prices are concerned.

An hon. MEMBER: They asked for it.

Mr. WRIGHT: Some of them; not all of them. That is what this amounts to. The Minister of Finance did not say what would happen when the producer subsidy on milk is withdrawn this fall. I understand that the producer subsidy will be taken off entirely on September 30. Then, are price ceilings, so far as milk is concerned, also to be lifted on September 30 when producer subsidies are taken off? Is the ceiling on whole milk to be taken off at that time too, and leave supply and demand to determine the price? Or are ceilings to be still kept on, and the farmer take the rap?

Mr. ILSLEY: The matter of price will then be in the hands of the local boards.

Mr. WRIGHT: Then the dominion government's price ceiling policy in regard to milk will be entirely taken off. There will be no ceilings at all, and on September 30 the matter will be entirely in the hands of provincial boards.

Mr. GARDINER: I explained that when I brought the question before the committee this afternoon. The announcement was made that we are taking off the consumer subsidy. That is the first part of it. The further announcement is made that the control over the price of milk, and the control of quotas and other things, is handed over to the provincial milk boards. Then we say—

Mr. WRIGHT: Well, can I—

Mr. GARDINER: Just let me finish. Listen, and talk afterwards; and we shall probably understand one another when we are through.

Then, also, in order to give them four months to adjust the position as between the control of the prices board, and control by provincial boards, we are going to pay the highest subsidy on milk that we have ever paid, twenty cents higher than we ever paid before at any time in the summer. It is being raised from thirty-five to fifty-five cents. We will continue to pay that until September 30. In the meantime all this material in the minds of hon. members this evening will be discussed back and forth between the

authorities here and the provincial authorities, and some method will be found to deal with the situation. We hope that will be accomplished by October 1, and the whole control, from there on, will then pass over to the provincial authority.

Mr. CHARLTON: I should like to ask a question of the Minister of Finance. There have been some misleading statements concerning this consumer subsidy on milk. The present price ceiling in Ottawa is ten cents. What will be the price ceiling in Ottawa as of June 1 this year?

Mr. ILSLEY: It will be 12 cents.

Mr. RAYMOND (Beauharnois-Laprairie): What is the total amount of subsidy paid on farm products in the last five years?

Mr. GARDINER: I could answer that better when we are discussing subsidies generally. I have the information in this pile of material in front of me. I shall deal with it systematically when we go through the items one at a time. But it will take some time to dig it up.

Mrs. STRUM: I am probably out of order in anticipating—

Mr. COLDWELL: Everybody is.

Mrs. STRUM: But, in considering this increase in the price of milk, I have been sitting here trying to anticipate what will happen to the incomes of old pensioners, persons living on annuities and on invested capital—small incomes. If we have the same thing in the field of milling, and make the consumer bear the cost of the subsidy on bread; and if we do the same thing with meat I am wondering what will happen. For instance, if we withdraw the freight subsidy and make the man who buys meat in Ontario bear the cost of freight, we shall have increased prices on milk, bread and meat, with the result that the person on a fixed income who is buying those necessities of life will be seriously handicapped in setting a table. I should like to know where we stand on this matter of subsidies.

Mr. GARDINER: That is all part and parcel of the discussions which have been going on for some years and which the Minister of Finance has had to answer every time his estimates have been up. I suppose he will be prepared to discuss it again when they are up this year. It all concerns the question of inflation and whether we have come to the time when we should let this whole thing go back and have it a matter of bargaining between producer and consumer. If that is the way it is going to be, we shall have the results that have been suggested sooner or later. We have said that it must be taken up in slow stages, that we must not go too fast with it, that we must try to make adjustments as we go along. In this case we have given four months in which we can try to make adjustments in a way that will not lower the returns to the producers or unduly increase the cost to the consumer.

The CHAIRMAN: I understood the committee to agree that there would not be a general discussion on price control.

Mr. CRUICKSHANK: Oh, no.

The CHAIRMAN: I thought it was agreed the discussion would be only on price control in connection with dairy products. The item before the committee is 26, dairy products, $438,652. I would suggest that the discussion be relevant to that item. I understood that there was not to be a complete discussion to-night on this item, but that after there had been some discussion the item would stand and we would revert to item 5.

Mr. ROSS (Souris): In view of the statements that have been made, could the Minister of Finance tell us approximately what the milk subsidy, both to the consumer and to the producer has cost annually?

Mr. ILSLEY: The consumer subsidy cost from $20 million to $22 million this year, while the producer subsidy cost has been about $14 million. It will be understood that the producer subsidy is on the old basis that prevailed for the twelve months ended April 30, 1946.

Mr. HANSELL: Anything that I said a while ago was not in criticism of the government's price policy and I do not want to be misunderstood in that connection. I have said in my own constituency that I have not a great deal of criticism to make of the government's price policy. I realize they have had a tough problem and they have done a good job. I was merely suggesting that it was time they changed their policy in order to solve the problems that exist.

What effect will this announcement have upon the present price structure of the manufacture of cheese? I have had a number of letters from cheese manufacturers who say that since the subsidy was reduced some weeks ago they find it difficult to manufacture cheese and sell it at a profit.

Mr. GARDINER: There has been no reduction in the cheese subsidy.

Mr. HANSELL: In connection with the milk they have to buy.

Mr. GARDINER: Not for cheese.

Mr. HANSELL: Has the government had any correspondence with the provinces with respect to this matter? In making this announcement are they taking it for granted that the provinces will accept it?

Mr. GARDINER: There has been no direct discussion with the provincial governments in connection with the policy announced to-day, but there have been discussions with producers' and other organizations interested in the other side of the matter, that is, those who have been buying milk. There is another matter that I referred to when I made the announcement. I said that a decision had not been reached with regard to the subsidy to be paid on milk going into the production of cheese and that a decision has not been reached with regard to the subsidy to be paid on milk going into the production of canned milk. I stated that those decisions would be made within a few days.

Mr. CRUICKSHANK: After all this discussion the minister has cleared up one point that was not clear. I come from a dairy district and I own a dairy farm. I understood the minister to say that subsidies were off at a given date, September 30.

Mr. GARDINER: That is correct.

Mr. CRUICKSHANK: I understand that they are not off definitely as yet in so far as manufactured products are concerned.

Mr. GARDINER: We have been discussing fluid milk. They are all off in so far as fluid milk is concerned, but the question as to what is to be done in relation to cheese and canned milk is not yet determined.

Mr. CRUICKSHANK: I cannot understand how the provinces can set the price to be paid to the producer when they have absolutely no control over the selling price. The hon. member for Macleod brought up the point about the provincial governments being consulted. The money that is made, if any, on a dairy farm is made in the fluid milk market. Approximately sixty-five per cent of the milk has to go into the manufacturing market. As I understand it, we are now playing into the hands of a few independent shippers who sell fluid milk. We are saying to the provinces that they shall decide what the producers are to be paid and then we as a federal government say what it shall be sold at. As I understand the situation, that is not what was done when we were dealing with the struggling Massey-Harris Company; they were called in and asked what they could afford to produce at. I should like to know whether the dairy council of Canada or the Canadian federation of agriculture were consulted before this policy was decided upon.

Mr. GARDINER: The Canadian federation of agriculture made their representations and the matter was discussed with them, I think just about the time the house met. It has been discussed with officials of the organization since that time. I am not suggesting that they have agreed to what has been done, the question has been discussed with them and their point of view obtained, as well as the point of view of many others.

Probably I did not make myself entirely clear, judging from one of the remarks made, with regard to the position in relation to cheese and canned products. The suggestion is made 65 per cent of the milk is marketed in that way in the Fraser river valley. Those are the two products in connection with which I said we have not yet determined what the subsidies will be, but any adjustments that are made will be upward. I made that statement this afternoon as part of my announcement. That is some indication of what it may be necessary to pay in connection with fluid milk if the fluid milk is to be obtained.

Mr. CRUICKSHANK: The minister said that if any adjustments were made they would be upward. Can I take it from that that they will not be downward?

Mr. GARDINER: The hon. member certainly can. That is what that means.

Mr. BOUCHER: The thought that occurred to me as I listened to the statements of the Minister of Agriculture and the Minister of Finance was, where does the government think it is going by this change except it be to save the $20,000,000 consumer subsidy and temporarily to continue the $14,000,000 producers subsidy. I do not see how consumers can derive any benefit from this change. They are to pay the price they paid in 1941, without the reduction that the subsidy represented. Consequently the people with large families who benefited from the consumers subsidy during the war years will be at a disadvantage by this change. One of the arguments used by the government in favour of the children's allowance was that it would assist the heads of large families in buying necessities for the children. The government must have entirely forgotten their arguments of that time when they adopted the policy announced to-day.

There are three primary classes involved in this policy, namely the consumer, the distributor and the producer of milk. Let us forget

the distributor for the moment because he is to be allowed to charge to the public the 1941 ceiling price, instead of charging two cents of that to the government. There will have to be an adjustment between the distributor and the producer through the provincial milk control boards of the price paid by the distributor to the producer. The producer gets nothing from this change unless it be the extra twenty cents subsidy on the whole milk that is granted to him as of May 1. If he were to absorb the whole shock of the loss of the consumer subsidy he would lose about eighty cents per hundredweight on his milk. Thus he would have a net loss of sixty cents a hundredweight.

So we see that the dominion government have forgotten about the consumer. They are not caring about how cheaply the consumer can buy his milk. They are not caring very much about what the producer will be paid. They are throwing the squabble between the producer and the distributor to the milk boards and keeping on the ceiling price for some possible protection to the consumer. Is this facing the real situation that confronts Canada in connection with whole milk production?

How is this policy going to affect the diverting of whole milk into the production of cheese and other dairy products? Possibly it may enable the distributor to cut down the price to the producer so that the producer will sell his milk to the cheese factory or the butter creamery or for the manufacture of other by-products of whole milk. That may boost the production of butter and the production of cheese, but it certainly will not put the farmer in a better position to persuade his son or the returned soldier to come back and settle on the farm, nor will it relieve the farmer from sending his milch cows across to the United States for the better prices he gets there. It is certainly not going to have any effect on the production of beef unless it be by making the sale of whole milk less remunerative. To-day in this locality you do not need to go out into the country; all you need to do is to look in the daily papers, to see how many farms, farm stock and machinery are being sold by auction. There is only one explanation. The farmer would not be selling his stock and machinery and his farm if it were profitable for him to stay on his farm. The hon. member for New Westminster said that he knows something about farming because he has milked a cow, but it is the farmer who is selling off his stock and machinery and sending his milch cows across the border who knows whether he is getting a fair share of the national income.

[Mr. Boucher.]

I do not see how this change is going to help things. The Minister of Agriculture a few moments ago, to illustrate a point he was making, said that we should drive through the country and look at the dates on the buildings on the farms. I do not know what buildings he was talking of, because the farmer, in the first place, could not get the paint, even if he could afford it, to paint the date on a new building, let alone the labour or materials required to build. The Minister of Agriculture must admit that for fifteen years now, not just the last five years, farm buildings have not been improved to any degree. There was a shortage of farm improvements even before the war, in the depression days. When the price ceiling was set on the 1941 basis of prices, agriculture particularly was in an unfavourable position because agricultural prices had not risen to the same degree as manufactured goods, or as labour. The price of whole milk varied in different areas, even within the province. The mechanic who was good at repairing farm machinery is not now available to the farmers because he can get much higher wages and shorter hours in the city. The result of all this is that only a very small percentage of our returned men are going into agriculture.

Mr. GARDINER: Does my hon. friend want the controls taken off or kept on?

Mr. BOUCHER: I would certainly say that the dominion government to-day is keeping the control on the ceiling price and not on the equitable adjustment of prices to the producer. In arranging the price as between producer and distributor and consumer, nobody can now control the situation properly. I am one of those who believe that if price ceilings on agricultural products were removed it would be only a short time before these inequities would be eliminated. Then a proper price, instead of an artificial, unfair and unjust price would prevail, and our rural areas would not be denuded of labour for the farm. Let prices seek their own level, as they always have done. We have lived in a world where agriculture has carried on since the day the world began. We did not have control until very recently, and we did not run into any panic that ever showed an unfair advantage to the agricultural producer as a result of accelerated prices. Consequently, as I look upon the announcement, I am at a loss to find out where there will be a benefit either to the consumer or to the primary producer. I cannot help concluding that the aim is entirely to benefit the coffers of the federal treasury at the expense of both the consumer and the primary producer.

Mr. BLACKMORE: I think it ought to be pointed out to all hon. members that the sum total of the result of all this discussion has pretty well established the idea that the subsidy ought to stay and that if it is removed at this time it will injure both the producer and the consumer. I believe the only reason why some of the Progressive Conservatives have not advocated the retention of the subsidy is that they recognize that they would not be able to continue to pay it themselves if they were in power and consequently they are afraid to make a commitment.

With regard to the remarks of the hon. member who has just taken his seat (Mr. Boucher), it might be interesting for him to contemplate this question. Was the adjustment between consumer and producer prices fair and equitable in 1935 or 1936 or 1937 or 1938 or 1939 when none of these controls existed? I think he will find that it was not, that the adjustment was not satisfactory to anybody. People were not getting the milk; the milk was not being produced, and neither consumers nor producers were prosperous; all of which ought to indicate that the time has come in the history of the world and of this country when a far-reaching adjustment must be made in the whole financial system as it affects prices. The day has come when subsidies are here to stay, and they must stay if we are to be prosperous and happy and have adequate production.

I suggest that there must be an adjustment in the financial system which will enable us to get money without taking it out of the taxpayer's pockets. That money we can obtain as a result of the production of the country, and it can be used to finance subsidies, so that we shall be able to give a fair price to the consumer, such as he can pay, and a fair price to the producer, such as will enable him to carry on and produce buoyantly and with confidence.

Mr. PEARKES: I rise with great diffidence because I have not the good fortune to have spent the greater part of my life in agricultural pursuits, but I do have the privilege of representing an agricultural constituency and I am alarmed at receiving a copy of the local newspaper to-day telling me that the creamery at Nanaimo has ceased operation after it has been operating ever since 1906.

There is, in an editorial in the Nanaimo *Free Press,* an analysis of the difficulties under which one of the dairy farmers in that immediate vicinity had to operate, and if the minister has no objection I should like to read it to him. I think it shows the great difficulties of the dairy farmer on Vancouver island:

> In no better way could the story of what has happened be told than through the medium of one dairyman's set of books, properly authenticated and vouched for. He has a place near East Wellington, is thoroughly experienced and a most careful and methodical operator. His figures cover statistics on five milking cows, two calves fed for seven weeks and two heifers fed and kept for a year's period. Total poundage produced include 200 pounds of milk for household, or home consumption was 46,300 pounds. Here is a segregation of his return, and also his operating expenses. He sold 41,100 pounds of milk at $1.80 per hundredweight. At seven weeks he sold his two calves for $55. He kept his two heifers and estimated their worth at $60 and he estimated the value of milk used in the household at $3.60. Thus his gross return for the year was $869.40.
>
> Now come his operating expenses. He had to buy 15 tons of hay at $15 a ton, a total of $225; 20 tons of roots, mangels, carrots, turnips at $9 per ton, $180; a half-ton of milk feeds per month at $30 a ton, $180; his depreciation on the herd of five cows per year was marked off at $60; and three per cent interest on his investment of $5,000 was $150 . . . therefore his operating expenses were $785.
>
> Deduct operating costs from cash returns and we find he was $84.40 ahead . . . providing of course he took nothing for the great amount of labour he had expended all year.

I suggest that it is not a very profitable or even a very exciting business for an older man, and for a younger man returning from the war it is not very attractive. The question I should like to ask is this. It may not be a sound question and if it is not I apologise. I believe there is some sort of subsidy paid on feed grains shipped from the prairie provinces to Vancouver island to assist dairy men in that part of the province.

Mr. GARDINER: We pay the freight.

Mr. PEARKES: Will that be removed?

Mr. GARDINER: We pay the freight from Calgary and Edmonton into British Columbia. It has no connection with this.

Item stands.

Science service—

5. Science service administration, $32,487.

Mr. HERRIDGE: I think it would be more logical if we took item 1 last and hon. members discussed on the various items the points in which they are interested. I am pleased to see in the items appearing under "science service" an increase of over $900,000. That is a step in the right direction, providing as it does for an increase in technical staff and some increase in salaries, which also is a step in the right direction.

I wish to bring to the attention of the minister a problem which is of serious concern to the fruit growers of my constituency. I refer to the little cherry disease. This is a matter of concern to the people who grow,

and who without doubt have grown for years, the best cherries in Canada, people who have cleared forests and in many cases make a large portion of their living by the production of this fruit. I am glad to know from the science service officials that they are now going to pay specific and effective attention to the problem in the near future. I wish to make a few suggestions to the minister in this respect. This disease is giving us great concern in British Columbia. The science service, in cooperation with the provincial departments of agriculture and other bodies, have effected remedies for diseases over the years, but in each case the officials concerned have been greatly assisted by close cooperation with the growers. I would suggest to the minister that in this case he must get success at the earliest possible date. I realize it is a problem to discover the root cause of this virus disease which is threatening the cherry industry, and which is causing a great deal of concern to the province of British Columbia. Planting of new orchards is not taking place because the young trees are affected in the first year of growth. There must be close cooperation between the science service and the growers concerned.

We have a large number of men growing cherries in the district, and they have been doing so for many years. They have a great deal of experience and are capable of close observation of the growth and growing conditions. I would suggest to the minister that there should be periodical publicity in the districts concerned and reports made concerning the progress made from month to month. To solve this problem we must have the growers and the officials of the department working together in all parts of the district.

I would also suggest that the officials of the department should take advantage of every opportunity they can to attend growers' meetings and explain in person to the growers what their plans, progress and problems are.

I have one other suggestion to make in this connection. This is a social problem in our district. The inspiration for rural education in rural schools should spring from the farm. There should be cooperation with the agricultural organizations of the district concerned, and there should be the cooperation of the high-school children, that is those who are of age to understand the investigation into this disease. In the past we have not related the daily education of the children directly enough to the problems that they will be expected to face if they are to remain on the farms. I throw out the suggestion to the officials of the department, that they try, in cooperation with the agricultural organizations in the district, to have the senior pupils of the rural schools throughout the district interested in and playing a part in the solution of this problem.

I should like to ask the minister this question. What arrangements are being made for cooperation with the provincial department of agriculture in connection with investigation of this problem?

Mr. GARDINER: In the Kootenay valley the little cherry virus disease is spreading rapidly, having reached twenty miles north, fifteen miles west and forty-five miles south of where it was first observed in 1939. In 1941 its virus nature was demonstrated and investigations have been conducted under the directions of this department to try and determine what the origin is. I understand that there are some limited areas in the United States where they have had outbreaks of little cherry, but that there is little known about the disease, as to how it gets into a district or what is the cause of it; whether it is an insect, whether it is something in the air, or what it may be, has not been determined. We have three men who are working continuously in the Kootenay valley. Most of the work having to do with virus of different kinds is carried on at Summerland, but there is some hesitation to take the cherries that are affected into that district. It is a fruit-growing district that is not troubled with this fruit virus up to the present; and until the cause is known, some method of treating it, it is not being taken outside the valley for any purposes whatsoever. But we have three men in there who are working continuously on it, and it is hoped that we shall discover the causes and then be able to find some way of dealing with it. Up to the present we have not been able to discover any successful method of dealing with it.

Mr. MACDONNELL (Muskoka-Ontario): I should like to make a few observations on a question which is closely associated with the production of food, namely, the conservation of food or the avoidance of waste. The hon. member for Rosetown-Biggar made some remarks on the same subject early in the evening, but I deferred mine because I desired to get through with item 26.

This matter was greatly emphasized in my mind just the other day by observing the shocking waste of food that one can see in a great many public places in this country at the present time. I was in a restaurant, not in this city, the other day, and I was so shocked by what I saw that I made up my mind I would try to bring it to the attention

of this house. I am glad to be able to bring it to the attention of the minister, because in answer to a question of mine the other day he said that he was the head of a committee, which I understand is called the cabinet food committee, which has to do with the conservation of food. He also told us that some publicity was being given to it. I myself may have missed whatever publicity there was, but I cannot believe that it has been extremely effective.

I wish to make one or two observations. I believe that we are as humane a people as there are anywhere in the world. I believe that not a fraction of one per cent of the citizens of this country, if they had brought to their attention day by day the conditions that are existing in the world, would tolerate waste either in public or in private places.

I should like to read one or two short extracts, upon which I wish to say a word. The first extract is from the *New Statesman and Nation* of April 20. It is as follows:

> A high military authority in Germany said the other day: "We have either got to keep a decent standard of living here—or clear out. And clearing out is unthinkable."

That is the quotation from the military authorities. Then the writer goes on to say:

> If that is the situation (and we agree it is), the immediate need is at least to restore the food ration of Germans to 1,500 calories. The sacrifice ought not to be only British, but if no one else helps, it must be.

I now wish to read an extract from *Life*, which is not usually regarded as a sentimentalist paper. It contains a few facts which are not new but I think are desirable for us to have before us. This copy of *Life* is dated May 6, and the quotation reads as follows:

> An estimated 500 million persons in such countries as Italy and Greece, France and Germany, India, China and Japan were subsisting on 700 to 1,500 calories a day—not quite enough to die on but not enough to live on. Four million Chinese were already dead. The Poles were eating their seed grain—which is agricultural suicide. The Chinese were eating clay.

I have one point to make. I think this needs to be dramatized to the people of Canada. With regard to the answer the minister gave me the other day in which he said, as I recall it, that he had O.K.'d an advertisement which is to be produced, I suggest that the government is not giving us a sufficient lead. I hope I am not putting this in a controversial way, because my desire is to persuade, not to criticize.

I have one further observation to make, and I shall point it up by reading a short extract from the New York *Times* of May 8. This is an editorial entitled "Hunger will not wait," and I should like to read the last paragraph because it has something to do not merely with humanity but with common sense:

> Some world issues can be discussed at leisure. This one cannot. Hunger does not wait. This crisis is our opportunity to prove that we are not talking platitudes when we say we believe in world peace and world neighbourliness. These are our neighbours. They are hungry. A wave of good will and hope will sweep the world if now we share with them. It is time for leadership in this city and in the nation to turn from lesser things and show us how to do it.

I wish to make one final comment. A year ago to-day the Prime Minister, the hon. member for Peel and others were in San Francisco, and our hopes were high. Now I rub my eyes and ask myself if we are still living in the same world, when our hopes have shrivelled as they have. As I read this item in the New York *Times*, it suggests that at the present time we may create here and there sparks of good will which will kindle a generous flame which in turn may do something to melt, as it were, the freezing from which the whole world is suffering at the present time, and which seems to have destroyed the good will which existed a year ago.

So I suggest that whatever can be done by the government to give us a lead to that end will be worth while, and I believe the people of this country are the kind of people who will respond to such a lead.

Mr. GRAYDON: May I add just one word by way of information, strangely enough relating to the subject of milk, about which we have heard so much to-night. We have heard of conditions in continental Europe and elsewhere, and I should like to try to arouse some interest and perhaps do away with some of the complacency which sometimes exists with respect to the needs of these parts of the world. I am not dealing with Britain at the moment, because I intend to do so at a later time. In December of last year we were in Amiens, France, and were told by a high official of that city—and let the committee take note of this—that no adult civilian in the whole of that area, which has a huge population, had tasted a drink of milk for the past six years. With this observation I thought perhaps I might do something to arouse public interest and perhaps banish complacency in regard to what people in some parts of the world, allies of ours, are going through in this critical period of peace.

Item agreed to.

Science service—

6. Animal and poultry pathology, $177,560.

Mr. MOORE: I should like to say a few words in connection with the science of agriculture. I want to join with other hon. mem-

bers who have congratulated the minister upon the increase of $900,000 in the amount to be expended for the development of science in agriculture.

Mr. FRASER: Not $900,000.

Mr. MOORE: The increase in $913,591. I believe the application of science to Canadian agriculture might possibly solve one of the greatest problems confronting us. Up to the outbreak of the first world war it is fair to say the chief reason for producing agricultural commodities was to supply food for human consumption. There was a very good reason why that object should have kept people busy producing a livelihood. At the turn of the century one family working on the farm could produce sufficient food to supply one family living in the city; but owing to the application of mechanical methods to farming we have now reached the point, according to the United States department of agriculture, where one farm family can supply agricultural commodities sufficient for five families in the city.

At the present time there is no problem in regard to finding markets for agricultural commodities, but I think it fair to say that at some time in the near future we shall again reach the point where we shall have to look abroad for markets for our agricultural production; and it would appear that the development of science or more properly the application of science to Canadian agriculture can do a great deal in solving that problem. That problem can be solved in this manner. Canadian agriculture can be made the basis for supplying raw materials to Canadian industry. Already that is being done to some extent in the United States. During the war years 275,000,000 bushels of United States wheat were converted into alcohol for industrial purposes. The same developments could be applied at the present time to Canadian agriculture. Only recently the national farm chemurgy council held a conference at St. Louis, Missouri. That conference expressed interest in the chemurgic plant of the Canadian government at Saskatoon. It was also interested in this federal government's scientific research on our experimental farms. That conference went on record as stating that it would be the duty of United States scientists in the future to apply American agriculture to the production of the needs of American industry. In other words, they are going to try to make American agriculture the source of raw materials for American industry.

I should like to give some figures in that connection. The United States department of agriculture have told us that during the war years they lost five million people from the middle western states. Those people have gone to the eastern manufacturing centres, and to all intents and purposes will be lost to American agriculture. The American people are concerned with what is to be done to find a market for agricultural goods in that country; and I venture to say that people in Canada should be concerned too, because we are more dependent upon foreign markets for agricultural commodities, under ordinary peace-time conditions, than are the United States. In the late 1930's eighty-five per cent of American agricultural production was consumed in the home market. In Canada we do not consume anything like that percentage of our agricultural production.

There are a number of things which could be done from a scientific point of view to pave the way for the creation in this country of a market for agricultural commodities. First let us take the production of nylon in the United States. I hear some hon. member say, "Oh, oh." I admit that we do not produce any nylon in Canada, but we supply the materials from which it is produced. Fifty per cent of the cellulose used in the production of United States nylon comes from Canada in the form of wood pulp, and our pulpwood is running very, very short. Practically all products of the farm can be used to produce certain kinds of cellulose, and it would be a good thing for our scientific research department to go forward and see if it would not be possible to produce from the various forms of agricultural commodities sufficient cellulose to take care of the United States demand for our wood pulp used for this purpose.

There is something else we can consider doing. For instance, take the supply of fuel for internal combustion engines. There can be no question at all that the supply of fuel will become a serious matter in the not distant future. The United States supply of oil was used to a very large extent during the war years, and the American petroleum institute have told us that at the present time there is available in the United States 17 billion barrels of gasoline. At the present rate of consumption that will be consumed within fifteen years time. What are we going to do to supply some means of operating our internal combustion engines?

The best possible development would be to use ethyl alcohol produced from Canadian grain. The United States have told us that if we use a 10 per cent mixture of gasoline with ethyl alcohol, taking 1935 as a base, it would

require the total production of the 1935 wheat crop in the United States to produce the required amount of ethyl alcohol.

So if we care to put our scientists to work, and treat this problem as a national one, there is no reason why we cannot solve the problem confronting agriculture in Canada under peace-time conditions. It is well to speak of ordinary peace-time conditions, because the day will come in this country when we shall have to look elsewhere for more markets. The best place to look for agricultural markets in future will be to our own secondary industries, by supplying them with the raw materials they need to produce manufactured goods.

I should like to mention something else from the United States picture which could be done in Canada as well. During the year just ended the United States produced $100 million worth of goods out of agricultural products used for non-food purposes. That is the application of science to American agriculture. Plastics could be developed as well. Starches can be manufactured from agricultural goods. So also can anti-freeze and even edible syrups. The United States now have a plan to produce syrup from wheat, and in the production of that syrup they intend to use wheat which is not of the highest quality.

Mr. MacNICOL: You have one plant at Moose Jaw.

Mr. MOORE: I was not familiar with that.

Mr. MacNICOL: It is doing very fine work.

Mr. MARSHALL: Before we enter into a discussion of these votes, could the minister give us the actual amounts the department has spent of the appropriation voted last year. I note that for last year the appropriation on item 5 was $30,349. A comparison of one year's estimates with another is unfair. It would be better to compare the amount expended in one year with the amount we hope to expend in the year lying ahead. If the minister would give us that figure at the commencement of the discussion, we would have it before us. Perhaps he would give us the figures for item 5.

Mr. GARDINER: I understand the final figures as to actual expenditures for the year ended March 31 last are not yet available. As is known, the accounts are not closed until about thirty days later. We are not far enough away from the end of the financial year to have the exact figure. I have sent out for an interim report which will give those figures.

However, if one will take the total figure for the department, he will have some idea of the percentage which is spent, right through the department. The following is a comparative statement of appropriations and expenditures between the years 1934-35 and 1944-45:

	Appropriation	Expenditure
1944-45	$119,142,943 35	$104,647,117 00
1943-44	120,774,131 50	110,327,725 69
1942-43	65,199,979 50	58,438,895 98
1941-42	91,866,680 80	82,810,172 55
1940-41	23,165,369 81	21,502,998 27
1939-40	28,633,064 66	26,201,907 36
1938-39	23,640,912 09	22,367,180 58
1937-38	37,360,444 95	33,204,291 74
1936-37	15,566,319 48	13,397,140 49
1935-36	11,159,940 79	9,637,810 72
1934-35	7,920,451 50	7,106,534 99

It will be noted that 1941-42 to 1944-45 were years in which our expenditures were very high in connection with war activities. If we take the war activities, as well as the usual expenditures on agriculture, the proportions unexpended will seem very small.

There is one further comment I might make in connection with the table. It will be noted that the figure for 1938-39 shows an appropriation of $23,640,912.09. The figure given the other night was only $9 million.

I have put this table on record because it gives the figures right through the years in respect of the matter we discussed the other night. All the proportions are well indicated in the table.

I now have before me the interim report to which I referred. The science service allotment for twelve months last year was $1,901,000. The total expenditure for eleven months —I have not the figure for the last month— was $1,687,492. It will be noted that the expenditure will be practically all used up by the time the accounts which come in in the last month are paid up.

Mr. MARSHALL: It might be more than that amount, then.

Mr. GARDINER: It cannot be more, because we are not allowed to spend money unless it has been voted. It might be less, but it cannot be more.

Item agreed to.

Science service—

7. Bacteriology and dairy research, $64,775.

Mr. TOWNLEY-SMITH: Some years ago when prices of live stock sank to such low levels our farmers found that when an animal was injured or became ill it was more economical to allow it to die than to pay the cost of bringing in a veterinary surgeon. The result of this situation has been that we now find that few students in the universities are sufficiently interested in the live stock end of

their studies to take up the study of veterinary science. The result is we are very short of veterinary surgeons. Dentists and medical doctors, even in the west, are quite thick on the ground when compared with veterinaries. Has the minister considered assisting students who are taking up animal pathology? There are many students attending universities who could be encouraged to take up this study by means of scholarships, or a guarantee of work after they have graduated.

Mr. GARDINER: May I suggest to the hon. member that this matter could be discussed to better advantage under item 18, health of animals. At the moment I can only say that there has been an adjustment, upward of course, in the salaries of those engaged in veterinary work in the department. We feel that some encouragement will have to be given to men to go into this profession. There are too few of them and our farmers have to go great distances in order to get their services.

Item agreed to.

Science service—
8. Botany and plant pathology, $534,121.

Mr. HATFIELD: Could the minister give the reason for the increase of $85,000 in this item?

Mr. GARDINER: The increases are as follows:

Salaries, permanent	$27,090
Salaries, temporary	29,007
Wages	10,933
Plants and buildings	7,700
Equipment	13,500
Express and freight	185
Printing and stationery	2,000
Rents	80
Telegraph, telephone and postage	160
Travel	23

That gives a total of $90,678, but there are decreases in other sections amounting to $5,184, which leaves a difference of approximately $85,000.

Mr. KNIGHT: I should like to inquire about the salaries of plant pathologists, but first let me say that I appreciate that some increases have been given. What proportion of these increases is made up of statutory raises, and what proportion is actually an increase in the basic rate? I do not think I need to point out the value of plant pathology in the economy of this country. When the hon. member for Kootenay West was speaking I was thinking of the tremendous service rendered by the agricultural scientists in British Columbia by their discovery in regard to the cherry disease. Then our agricultural scientists have produced various kinds of wheat which have had a tremendous economic value. These men have been tremendously underpaid in the past, and I think the salaries paid should be sufficient to encourage men in the agricultural colleges at Saskatoon and other places to go into plant pathology. These salaries should be sufficient to counteract the drift of such scientists to the United States.

Mr. GARDINER: There have been fifty men reclassified at an immediate cost of $12,840 and an ultimate cost of $29,340.

Mr. BENTLEY: Does that apply to the experimental farms as well?

Mr. GARDINER: This is just the botany division.

Mr. BENTLEY: Could the minister give us a sort of running report of the development in connection with Rescue wheat?

Mr. GARDINER: That would come under the item dealing with experimental farms.

Mr. SENN: I understand that some experiments have been conducted in the use of milkweed in connection with synthetic rubber.

Mr. GARDINER: That again would come under experimental farms and research council, item 37.

Mr. SENN: It is mentioned in the report of the minister under botany and plant pathology.

Mr. GARDINER: This branch did collect some floss and ship it to the United States.

Mr. BLACKMORE: Under what item would we discuss Bang's disease?

Mr. GARDINER: We passed the item in connection with research, but it might be discussed under item 18, health of animals.

Item agreed to.

Science service—
9. Agricultural chemistry, $171,910.

Mr. HATFIELD: There is an item covering a mill operator. What kind of mill is that?

Mr. GARDINER: It is a small mill in the chemical division which grinds feed for analysis.

Item agreed to.

Science service—
10. Entomology — agricultural entomology, $680,375.

Mr. FRASER: What is to be done this year in regard to the budworm?

Mr. GARDINER: That would really come under item 11.

Mr. FRASER: What about the peach worm? Have they discovered how to get rid of it?

Mr. GARDINER: We are working on the oriental peach worm at Vineland in the Niagara peninsula to find means of eradicating the worm, largely through the use of sprays.

Mr. FRASER: Are you going to do anything to stop the sale of peaches with these worms in them? Last year carloads of them were sold to the people of Canada and they were a total loss.

Mr. GARDINER: The best grade of peaches with worms in them are not supposed to be sold, but they are very difficult to detect, and sometimes peaches that are infested with them get out. Work is being done on this problem, but the worm is the most difficult to detect.

Mr. FRASER: Peaches sold as No. 1 grade are the ones in which they found the worms. There seem to be more worms in the larger peaches than in the smaller ones.

Mr. ROSS (Souris): There is an increase of over $203,000 in this item. Would the minister explain that? I also understand that there is a shortage of trained personnel in the different branches of entomology. What are the prospects of supplying this shortage through students from the universities and agricultural colleges?

Mr. GARDINER: The increases are as follows: permanent, $16,890; temporary, $94,295; total salary increases, $111,185; wages increase, $22,751; cost of living bonus, $8,850; buildings and land, $5,260; equipment, $30,136 —that is mostly for cars and scientific equipment; express, freight and cartage, $1,078; printing and stationery, $6,500, rents, $4,145; supplies, $2,095; telephone, telegraph and postage, $922; travelling, $12,951; making a total of $203,235.

Mr. ROSS (Souris): I understand that in some parts of Canada there is a shortage of trained personnel for laboratory and research work in the different branches of entomology. Are young men who are now coming out of universities and agricultural colleges being taken on to overcome this shortage?

Mr. GARDINER: We have taken on about sixty men, a large proportion of them returned men formerly employed and returned men who are now students.

Mr. SENN: Temporary assistants?

Mr. GARDINER: The students will be temporary while training. A number are being trained for this work.

Mr. HENDERSON: Up in Lambton county, on the shores of lake Erie, we grow corn for our silos, for husking and feeding purposes. A few years ago we had a rigid corn-borer inspection. A new inspector was appointed and he started out as new brooms always do, the result being that five or six years ago we had a rigid inspection. But when the war came on we slipped a little, and for the last year or two we have not had a corn-borer inspection. The result is that the corn-borer is increasing quite rapidly. What is being done to restore the corn-borer inspection and to control this pest, if possible?

Mr. GARDINER: There has been some difficulty in getting staff in connection with the work that is being done to control the corn-borer. I think it would be interesting if I read this statement on the European corn-borer:

> The European corn-borer continues to be a serious pest of corn in Ontario and southern Quebec. During the season of 1945 this insect also made one of its periodic invasions into New Brunswick, causing serious losses to corn, particularly in Carleton county. The development of a two-generation strain of the corn-borer in southwestern Ontario is threatening not only to complicate the control measures but increase the seriousness of the pest.
>
> The normal single generation life-history of the insect is well known. The adult moths emerge from corn and other host plant refuse, begin flying and laying eggs in July. The larvae hatching from these eggs bore into the stalks and cobs of corn, feeding there until mature. They spend the winter in the host plant and weed refuse, pupate in the spring and emerge as adults early in July. The two-generation strain is not so well known. The first generation adults emerge in June and infest young corn plants, the larvae mature and pupate the same season. The second generation adults emerge late in the summer and infest the ripening corn.

In other words, a new variety of pest has appeared recently and is causing some difficulty in handling the situation. I am sorry I have no information as to why the inspector has not been on the job in Lambton county, other than that we have had difficulty in maintaining a competent staff.

Mr. FRASER: In Kansas and other states where they were bothered with the corn-borer they maintained a patrol of the highways and stopped and searched all cars to make sure that they were not carrying corn from the infested areas into free areas, and I understand that this helped greatly in eliminating the corn-borer. Something along that line will have to be done here.

Item agreed to.

Science service—

11. Forest entomology, $721,916.

Mr. MARSHALL: What is the distinction made between temporary assistants and wage earners?

Mr. GARDINER: The temporary assistants are persons taken on through the civil service commission to fill certain positions which have not yet been made permanent. The wage-earners are taken on by the day.

Mr. CHARLTON: There is an increase in the expenditure for buildings and land. Are new forestry stations being established, and is this increase for buildings and equipment?

Mr. GARDINER: The increase arises from the necessity to build a laboratory at a cost of $150,000 at Sault Ste. Marie near the headquarters of the research centre for the study of forest insects in which to study the importance of insect diseases in the control of forest insects, with a view to the importation of foreign diseases or the exploitation of local diseases in the control of forest insect pests in general, in Canada, and also at the moment, in the possible control of the spruce budworm. It is absolutely impossible to use the forest insect laboratory at Sault Ste. Marie for these studies because the whole building might become infected with forest insect disease germs and the entire basic studies ruined and the building even abandoned for biological work.

Mr. CHARLTON: There is another item under miscellaneous, $10,000, in which there is an increase. Will the minister explain that?

Mr. GARDINER: This increase arises from the necessity to provide for unforeseen expenditures in an expanding service in scientific investigational work in nine forest insect laboraties throughout Canada where, at any time, the whole investigation may take an unexpected turn requiring unanticipated outlays of material consequence. Unfortunately, estimating for a research programme is vastly different from estimating for a factory production programme, and funds to meet emergencies are crucial, upon occasion, to exploiting the advantage of the moment, evanescent as they are so often in scientific research work. The point here is that every season is somewhat different and biologically important incidents may occur in one season which may not be encountered again for years; hence the importance of having available an item to make possible taking advantage of the favourable opportunity. This explains the remark I made a few moments ago in answer to an hon. member. The fact is that we must have money voted if we are to be able to spend it. Disease may break out somewhere and there must be a fund on which to draw for emergency work.

Mr. CARDIFF: There is an increase in salaries. Is that due to an increase in staff, or are salaries being raised?

[Mr. Marshall.]

Mr. GARDINER: This is entirely an increase in staff.

Mr. WRIGHT: What has been the experience in spraying from aeroplanes for the spruce budworm? Is the dominion carrying on this work, or the provinces?

Mr. GARDINER: It is carried on by the province, but we have information on it.

Mr. STEPHENSON: With regard to travelling expenses, are these mostly car expenses, and what is the mileage paid? How is that worked?

Mr. GARDINER: It is railroad and car expenses, but the greater part is car, and the rate is nine cents a mile.

In answer to a question that was asked with regard to control of forest insects by spraying from aircraft, I may say this. The application of concentrated sprays containing DDT from aircraft was first attempted in Canada in 1944. In that year, in cooperation with the Ontario department of lands and forests, several acres of balsam and spruce forest in Algonquin park, Ontario, were sprayed, plane owned and operated by the United States department of agriculture being employed. The results were sufficiently satisfactory to justify further experiments in 1945. Three separate spraying projects were conducted, all directed against the spruce budworm. At Algonquin park, ten experimental plots of ten acres each were sprayed in early May to determine the relative effectivness of various dosages of DDT. In the Kakabonga region, Gatineau valley, Quebec, several experimental plots were sprayed between May 16 and June 14; the results from each series of sprays, employing varying dosages of DDT and solvent, were carefully checked by means of population studies taken in the sprayed plots and in adjacent unsprayed areas. The studies suggest that the most effective time to apply the spray is during the period in which the larvae are feeding on the foliage of the new growth. In the case of large-scale operations, however, when time is an important factor, spraying may be conducted in the needle-mining and bud-feeding stages but with increased dosages.

Mr. STEPHENSON: I asked the minister a question a moment ago with regard to travelling expenses and he stated that a rate of nine cents a mile was paid. Do these men own their own cars?

Mr. GARDINER: Most of the cars that are driven by our employees are government-owned, and only when a man drives his own car is the 9-cent rate paid, the actual expense of operating the car.

Mr. BURTON: With reference to spraying for spruce budworms, has the department considered testing the use of chemicals?

Mr. GARDINER: Yes. I do not know whether the hon. member for Humboldt at any time last year drove by the Indian Head farm, but if he did he would have seen, north of that farm, a field in which that test was carried out. I saw it on a number of occasions and was greatly surprised at the effectiveness of the use of chemicals. It can be successfully done.

Mr. BURTON: Are you continuing with that experimentation?

Mr. GARDINER: Yes.

Item agreed to.

Progress reported.

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

Friday, May 17, 1946.

The house met at three o'clock.

REPORTS OF COMMITTEES

Second report of sessional committee on railways and shipping owned, operated and controlled by the government—Mr. McCulloch (Pictou).

EXTERNAL AFFAIRS—CONCURRENCE IN FIRST REPORT

Mr. J. A. BRADETTE (Cochrane) moved that the first report of the standing committee on external affairs be concurred in.

Motion agreed to.

FOOD AND AGRICULTURE

ANNOUNCEMENT OF CANADIAN DELEGATES TO WASHINGTON CONFERENCE

Right Hon. J. L. ILSLEY (Acting Prime Minister): I wish to announce that a Canadian delegation will be attending a special food and agriculture organization conference scheduled to open in Washington, May 20, in order to discuss urgent world food problems. Invitations have been extended by the director-general of the food and agriculture organization to fourteen nations, members of the food and agriculture organization, of which Canada is one.

The Hon. J. G. Gardiner, Minister of Agriculture, will lead the Canadian delegation, the other members of which are as follows: The Hon. H. F. G. Bridges, Minister of Fisheries; Mr. L. B. Pearson, Canadian Ambassador to the United States; Mr. G. Paterson, Canadian executive officer on the combined food board; Doctor G. S. H. Barton, Deputy Minister of Agriculture; Doctor D. B. Finn, Deputy Minister of Fisheries; Doctor J. G. Bouchard, Assistant Deputy Minister of Agriculture; Doctor J. F. Booth, of the Department of Agriculture; Mr. I. S. McArthur, of the Department of Fisheries; Doctor L. B. Pett, of the Department of National Health and Welfaire; Doctor F. C. Wilson, of the Department of Trade and Commerce; Mr. J. B. Rutherford of the Dominion Bureau of Statistics; Mr. M. G. Glassco, of the Privy Council office.

HOUSE OF COMMONS ACT

REPEAL OF PROVISIONS NOW SUPERSEDED BY CONSOLIDATED REVENUE AND AUDIT ACT

Hon. PAUL MARTIN (Secretary of State) moved for leave to introduce bill No. 125, to amend the House of Commons Act.

He said: The purpose of the bill is to remove from the existing statutes certain sections which are obsolete and which are now superseded by subsequent revisions of the Consolidated Revenue and Audit Act, 1931.

Motion agreed to and bill read the first time.

EXPORT CREDITS INSURANCE ACT

ENLARGEMENT OF PURPOSES FOR WHICH CREDITS MAY BE USED

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved for leave to introduce bill No. 126, to amend the Export Credits Insurance Act.

Some hon. MEMBERS: Explain.

Mr. MacKINNON: This bill is being presented in order to amplify and clarify the clauses of the act, under part I, of which the Export Credits Insurance Corporation was set up. The necessary changes to part I are being requested as a result of the experience which the corporation has gained during the first six months of its active operation.

The amendments being made to part II of the act, which is under the administration of my colleague the Minister of Finance (Mr. Ilsley), are mainly to enlarge the purposes for which the credits granted to foreign governments or agencies may be used. The amendments will permit a credit to be (a) made available to private importers in the borrowing countries; (b) used to purchase Canadian services; and (c) used to purchase goods from crown companies.

Motion agreed to and bill read the first time.

ATOMIC ENERGY

PUBLIC CONTROL AND SUPERVISION OF DEVELOPMENT, APPLICATION AND USE

Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee at the next sitting to consider the following resolution:

Resolved, that it is expedient to bring in a measure to make provision for public control and supervision of the development, application and use of atomic energy, and in connection therewith to provide for the incorporation of the atomic energy control board; the creation of corporations to carry out certain powers of the board which may be more conveniently performed by separate corporations; to provide for the appointment of members of the board and its officers and employees, their tenure of office, remuneration and expenses; to provide for the organization, administration and financing of the corporations; also to provide for the superannuation, pension and other rights of the employees of the board and of the corporations; and also that the board may, with the approval of the governor in council acquire or cause to be acquired by purchase, lease, requisition or expropriation, prescribed substances and any mines, deposits or claims of prescribed substances and any works or property for production or preparation for production of, or for research or investigation with respect to atomic energy.

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

Motion agreed to.

RESEARCH COUNCIL

APPOINTMENT OF VICE-PRESIDENTS AND EXECUTIVE COMMITTEE, ETC.

Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Research Council Act to provide for the continuance of the Committee of the Privy Council on Industrial and Scientific Research; for the appointment of two vice-presidents to the Research Council, their tenure of office and salaries; for the appointment of an executive committee of the council; for the creation of corporations to carry out certain powers of the council which may be more conveniently performed by a separate corporation, and also to provide for the organization, administration and financing of such corporations; and to provide further for the superannuation, pension and other rights of the employees of the said corporations.

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

Motion agreed to.

[Mr. MacKinnon.]

UNITED NATIONS

DENIAL OF ACCESS TO RECORDS OF PRIVATE MEETINGS OF SECURITY COUNCIL

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish to direct a question to the acting Secretary of State for External Affairs, notice of which I sent him this morning. Will the government on behalf of Canada, a member of the united nations, protest the decision of the security council to deny, at its pleasure, access to the record of any private meeting of the security council?

Right Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): I take it that the hon. member's question refers to a report which has appeared in the press to this general effect. We have not yet received the official record of the security council meeting at which this question seems to have been discussed, and pending receipt of the official documents it would seem to be premature to make any public comment. I may add that we are following very closely the proceedings of the committee of experts which is drawing up rules of procedure for the council.

Mr. COLDWELL: When the record is received, with the rules of procedure, will the government make a statement?

Mr. ST. LAURENT: The government will give the report of the security council meeting and the recommendations of the committee of experts very careful consideration, and if they appear to require some action on the part of the government there will be an appropriate declaration in the house before that action is taken.

FISH AND FISHERIES

CLOSING OF CERTAIN TRIBUTARIES OF SAINT JOHN RIVER TO GILL-NET FISHING

On the orders of the day:

Mr. A. J. BROOKS (Royal): I should like to direct a question to whoever is acting Minister of Fisheries in the absence of that minister. The question is based on a report that the department has closed certain tributaries of the Saint John river to net fishing. This is the season of the year when people along the river fish for different kinds of fish, and I would ask the minister this question: Has the Department of Fisheries closed the Jemseg river and Raft channel to the Grand lake to all kinds of net fishing? If so, why has this been done? Will the department consider cancelling this order at once?

Hon. ALPHONSE FOURNIER (for the Minister of Fisheries): In the absence of the Minister of Fisheries I received notice of the question which the hon. gentleman has asked. The answer to the first question is in the affirmative. As regards the second part of the question the answer is: As the Jemseg river is quite narrow, gill-nets, ostensibly set for the taking of shad, have been taking striped bass. At the request of the provincial authorities and of the New Brunswick fish and game protective association, as well as on the recommendation of the officers of the department, the use of gill-nets was prohibited in the Jemseg river, in order to facilitate the ascent of fish in the river, thereby providing better angling from which the province and the people along the river will derive greater benefit from tourists and anglers.

As to the third question—will the department consider cancelling the order at once—the answer is: no; not before further investigation.

MOTOR VEHICLES

WAR ASSETS—PRIORITIES IN PURCHASE OF TRUCKS

On the orders of the day:

Mr. WILLIAM BRYCE (Selkirk): May I direct a question to the Minister of Reconstruction or his parliamentary assistant? I have already given them notice of the question. What is the reason the town of Gimli cannot buy a three-ton truck after having complied with all government regulations and obtained the necessary priority?

Hon. C. D. HOWE (Minister of Reconstruction): The difficulty is that the controller of motor vehicles, in issuing priority orders, depended on estimates of production which were too optimistic. The situation to-day is that more priority orders are out than can be filled. Action was taken some ten days ago to see that no more priority orders were issued until outstanding orders were filled, but the difficulty to which my hon. friend refers can be solved only as new trucks come from the production line.

Mr. BRYCE: I refer to war assets.

Mr. HOWE: I have no information with regard to second-hand trucks, but I shall be glad to look into the question and see whether any trucks are available in Manitoba. If so, I shall do my best to see what can be done for Gimli through War Assets Corporation.

Mr. HACKETT: The province of Quebec also could use a few if the minister has them.

Mr. COLDWELL: And so can the province of Saskatchewan.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

DEPARTMENT OF AGRICULTURE

Science service—

12. Plant protection, $431,540.

Mr. WRIGHT: Has the department done any investigational work recently respecting root rot in wheat?

Hon. J. G. GARDINER (Minister of Agriculture): Investigations are being carried on continuously, but I have not heard of any new development.

Mr. McIVOR: Those of us who were born on the farm and received our early education there have never lost our interest in the experimental aspect of farm work. We have found that some of the greatest wonders of the world are on the farm. Last fall I witnessed gardeners planting brown bulbs in black earth. The bulbs have been frozen and thawed, and frozen and thawed again. It would do any expert in agriculture good to observe the floral beauty displayed to-day in front of these parliament buildings. It is magnificent. If hon. members taking part in the debate would see those flowers, which are more gorgeously clothed than Solomon in all his glory, they would be a little more appreciative of the work done, not only by the gardeners around this building, but by the Minister of Agriculture.

Mr. SENN: Now that the war is over I understand there is likely to be a much greater importation of bulbs and plants of all kinds into Canada. What measures are being taken to see that they are free from disease? I understand that in certain sections of Canada the production of bulbs and plants has become an important industry. I am told that in British Columbia the industry has been developed to a considerable extent. Are the products from that province being inspected so that there will be no danger of any plant diseases being spread to other provinces?

Mr. GARDINER: All regulations which applied prior to the war, and any which were added during the war, are being enforced. We are increasing inspection staffs to see that regulations in connection with the importation of bulbs and other plants into Canada are enforced. During the war the production not only of bulbs but of different kinds of seeds and plant life was developed to a considerable extent in British Columbia. Up to the present time new importations coming into Canada since the war have not affected that industry,

but attention is being given to the fact that the industry has been developed, and that care should be taken to maintain it.

Mr. SENN: Do I understand that before importations are made they must have a certificate of health? Or are they not inspected until they enter the country, with the result that they may have to be returned or destroyed?

Mr. GARDINER: It is not always possible to obtain certificates of health. On entering the country they are inspected carefully. Hon. members might be interested if I were to place on record the following regulations with regard to the importation of nursery stock:

Nursery stock includes all plants, or parts thereof, for ornamental purposes, propagation, or cropping.

1. (a) A permit must be procured by the importer from the secretary, destructive insect and pest act advisory board.

(b) The importer is required to advise the exporter of the permit number. This number must be marked upon the containers and shipping papers. (In the case of importations by parcel post, a special label is issued.)

(c) The permit must be presented to the customs by the importer when clearing the shipment. The invoice must conform with the permit as to kinds and quantity of plants.

2. (a) Shipments must be accompanied by a certificate of inspection listing the kind and quantity of plants contained in the shipment and certifying them as apparently free from insect pests or plant diseases.

(b) Importations are subject to re-inspection on arrival in Canada.

3. (a) Importations may only enter through one of the following ports: Halifax, N.S.; Saint John, N.B.; Montreal, P.Q.; (Quebec, P.Q., sub-port); Ottawa, Ont.; Toronto, Ont. (parcel post only); Niagara Falls, Ont.; Windsor, Ont.; London, Ont.; Winnipeg, Man.; Estevan, Sask.; Vancouver, B.C. (Victoria, B.C. sub-port).

(b) On arrival at a port, a shipment is either inspected immediately or permitted to proceed to destination for inspection on the premises of the importer. It may not be moved from the port unless either a "Certificate of inspection" or a "certificate of clearance" has been issued to the customs.

Mr. SENN: Some of the countries from which these importations come were overrun by the enemy, and perhaps the same care has not been taken to see that the plants are in healthy condition, or that plants which are infected are culled out. I do not think the minister answered my question whether bulbs and nursery stock from British Columbia require a certificate of health before shipment from that province.

Mr. GARDINER: The answer to the last question is yes; they must be inspected out there before shipment.

Mr. HATFIELD: I understand that small parcels of potatoes are coming here from countries against which there is an embargo. They are being brought in by people returning from Europe. What is being done to stop this procedure?

Mr. GARDINER: Anything of that nature brought in by immigrants is subject to inspection. All motorcars crossing the boundary line are treated in the same way. Seeds of any kind which are brought in, whether of potatoes or of anything else, are inspected. Aeroplanes, too, are subject to inspection. Of course I presume some people make an effort to avoid the inspection, but every effort is made to see that they do not.

Mr. PROBE: I notice an increase of about 400 per cent in the equipment required by the division this year, and an increase in travelling expenses of about 60 per cent. In looking over the public accounts for last year covering this particular division I notice that a number of new cars and used motorcycles were purchased, after deducting an allowance of $300 for one used car. The public accounts show that last year two used cars were turned back at $565. Perhaps the minister could explain these two items, and at the same time indicate what travelling allowances are permitted to members of this and other divisions. I do not think the minister was quite right when he said last night that the car mileage allowance for employees who used their own cars was at the rate of nine cents per mile. I looked up the order in council which was passed last year just before the election, and I found that except for British Columbia the amount allowed for car mileage is nine cents per mile for 4,000 miles. I assume that is what the minister meant last night. After 4,000 miles has been travelled by a car, the rate is eight cents per mile. It seems to me that that is an adequate mileage allowance. Could the minister indicate what equipment is being purchased, particularly cars, and the nature of the discounts allowed? I think we are not getting a sufficient allowance on our used cars, unless they are actually in very bad shape.

Mr. GARDINER: The provision for paying for the operation of a car is on the basis of nine cents per mile. The rate was seven cents until the beginning of the war and for some time into the war, but it was found impossible to get men to drive their own cars because of the difficulty of getting cars and the extra cost of maintenance; therefore the basic rate was raised to nine cents per mile for the first 4,000 miles, and when a car covered a greater mileage than that, the rate was lowered.

With regard to looking up the records having to do with car purchases and finding why more was allowed on one car than on another, I may say that our cars are all rather old and badly worn at the moment, because we could not buy any new ones after 1942; at least it was not easy to buy them. Incidentally I might mention that this was one of the most difficult votes to get past the treasury board. The amount to be paid is established in this manner: We call for tenders, usually from three different dealers.

Mr. PROBE: Do you call in the dealers?

Mr. GARDINER: Suppose it is in Yorkton; they would ask two dealers in Yorkton and one dealer outside of that community to bid, and the best bid would be accepted. A dealer may say, "I will allow you $300 for your old car and charge you so much in addition for the new car." Another dealer may look the car over and say that he will allow a little more. Three bids are required under normal circumstances. During the war period it was not always possible to carry on in that way, and it is not yet, because often a dealer has no cars, or if he has cars, they are covered by permits already in his hands. The practice has not been established definitely for the whole area of transactions, but that is the practice followed to establish the value of the car.

Mr. PROBE: How much equipment is being purchased under this $28,000?

Mr. GARDINER: There are about twelve cars, and then equipment of other type which will be used in the plants associated with this work.

Mr. PROBE: The department bought four new cars last year and twelve new ones during the current year.

Mr. GARDINER: We have not got them yet, although we have the money to buy them.

Mr. SENN: The hon. member for Lambton West (Mr. Murphy) is not here, but he spoke to me about a matter which I should like to bring to the attention of the minister. It concerns a disease which is affecting the sugar beets in that hon. member's constituency. Speaking on this matter last year he explained that certain of the streams running into lake Huron were filling up at their mouths, causing a flooding of certain areas used for the production of sugar beets. The suggestion was made that something should be done by cooperation between the dominion and provincial governments and the municipalities. Has the minister any report to make on this matter?

Mr. GARDINER: The sugar beet nematode has been present in the sugar beet area of south western Ontario for several years, but the infestation is still confined to a restricted area centering on Blackwell in Lambton county. The crop losses, however, have increased within this area. In 1945 cabbages and cauliflower grown in infested fields were severely damaged by this nematode.

Experiments in soil fumigation to control the sugar beet nematode were repeated in 1945. The results of these experiments indicated that some of the commercial fumigants greatly reduced but did not eliminate the nematodes. However, the results indicated a sufficient control to treble the yield. No satisfactory method of control is known at present and as a result every possible field sanitary precaution is taken to prevent the spread of the nematode. It is also advised that farmers use a rotation which keeps sugar beets or other host plants out of known infested fields for at least five years. Experiments with soil fumigants will be repeated in 1946, using better methods of applying the fumigants over larger acreages.

I understand that a drastic method is adopted to deal with this disease—sugar beets are not marketable off a field affected by nematode. The cooperation with the province is continuing.

Mr. SENN: Is there any suggestion that the provinces and the municipalities are going to share with the dominion the cost of opening up the mouths of these streams so that they will not flood and carry the fungus into the beet fields?

Mr. GARDINER: I remember there was some discussion about that last year but I am told that there has been no arrangement made to that end. I assume that means they are not convinced that that is the difficulty. I would imagine if they were convinced that that was the real cause of the spread of this disease, some action of the kind would be taken.

Mr. SENN: I understand that the municipalities are willing to go ahead and that the provincial government would do their share if they could get the consent and cooperation of the federal department.

Mr. GARDINER: I will look into that. I would imagine that if our people through their experimental work are convinced that that is a solution or at all events a help the matter would be considered; but possibly in carrying on their investigations they do not agree with those who contend that this would be a cure or assist in the cure.

Mr. QUELCH: What has been the experience of the department in using sprays to kill weeds in standing crops? What effect have the sprays had in killing the weeds, and what effect have they had on the standing crops? We have all seen display advertisements that these sprays can be used to kill weeds in standing crops without effects detrimental to the crop.

Mr. GARDINER: I can give more information on that when we reach the item for experimental farms and Doctor Archibald is here.

Mr. CHARLTON: Reference has been made to cars. In view of the scarcity of cars has the department bought any used cars from War Assets Corporation?

Mr. GARDINER: We have bought very few. As a matter of fact we prefer to buy new cars, for obvious reasons.

Mr. MARSHALL: On page 85 of the details there is an item, insignificant in amount, $1,500, for rent and taxes, but a principle is involved which prompts me to ask, what taxes does the dominion government pay?

Mr. GARDINER: We pay taxes on only one plant, and that is a fumigation plant in the city of Vancouver which belongs to the railway. The court has ruled that we must pay taxes on it. I cannot go into the details, but the court ruled that we had to pay the taxes, and the estimates provide for that.

Item agreed to.

Experimental farms service—

13. Experimental farms service administration, $70,755.

Mr. COLDWELL: I am glad to see an increase in the vote for the experimental farms service. The vote was cut during the war, and while there might be some justification for reducing it in war time, I think now is the time to increase it. What I am going to say bears generally on the experimental farms service.

If we look over the salary schedules as shown in the details we are struck by the fact that the salaries still remain at a very modest level. Under "Administration" I notice that there are only four salaries over $3,000 a year, and if you look through the entire list of positions in services which I regard as very important, such as prairie reclamation, you will find that the same thing holds good. While we must do all we can to prevent any extravagances in the government service, I feel that generally speaking the salary schedules of our civil service are too low to attract into the service the people we should attract. I am not derogating in the slightest from the qualifications of those already in the service, because I know from personal experience that some of them have remained in the service in spite of attractive offers to better themselves in private employ.

In the period we are entering a scientific approach to all our problems, including those of agriculture, is essential, and we should do everything we can to encourage young men to come into and remain in the public service and devote their lives to improving, for instance, our agricultural products. When we look back over the years we begin to realize how great a contribution has been made by science to agriculture. Think of the contribution that one scientist made to western Canada, Doctor Saunders. In some material the other day I discovered that while he was actually working on marquis wheat he was getting a salary of $100 a month. We have improved a little on that; nevertheless we should encourage the minister to do all he can to make these services—experimental farms, prairie reclamation, branch farms and so forth—sufficiently attractive to induce the best qualified people to enter the service.

The schedules reveal that the salaries are still comparatively low. Seven or eight years ago they may have appeared to be moderately attractive, but many hon. members know the high salaries that are being offered to-day by private industry to attract well-qualified young scientists.

The minister has said on one or two occasions that after all, these men are serving agriculture, that the returns to the man actually working on the land have never been very high, and that the salaries paid to those in the agriculture service must not be very far out of line with the returns the farmer is getting. While there is some merit in that, I do not think it is really a sound argument. I would say rather that we must so stabilize the prices of agricultural products as to give the farmer reasonable returns upon which much higher salary schedules for agricultural scientists can be based.

I should like to say a word now, if I may, on item 16, as I may be called out of the chamber in a few minutes. This item, like many others, contains the phrase "notwithstanding anything contained in the Civil Service Act." I do not know just what that means, but again may I say to the minister that he or somebody else has been keeping many of our younger scientists on the temporary staff when in my opinion they should have been made permanent. I do not know

just how far that practice has gone. I have not been in close touch with Saskatoon lately, but I do know that a group of young men who were engaged there a year or two ago on the scientific soil surveys were still on the temporary staff at exceedingly low salaries, although it is admitted that they have done magnificent work for our provinces. The very fact that the new assessment has been largely based on the soil surveys and has proven so satisfactory to the people of the province is a tribute to the value of the work that these young men have done. I am very anxious indeed to see that the civil service is a real civil service, and I should like to see temporary positions occupied by qualified men on a temporary basis made permanent and brought under the Civil Service Act, with appointments, so far as possible, made in the usual way by the civil serivce commission.

But I rose to suggest that we should endeavour to support the minister in any attempt he may make to attract to our public service, particularly our agricultural service, the very best qualified young agricultural scientists who are coming out of the faculties of agriculture in our Canadian universities.

Mr. GARDINER: If I might clear up one point just made by the hon. member for Rosetown-Biggar, I have never compared the salaries paid to scientists with the wages or returns in the farming communities.

Mr. COLDWELL: I did not quite mean that.

Mr. GARDINER: No, but I just wanted that made clear. Every time we discuss the experimental farms service the question of labour on the farms comes up. Take for example the one that we both know best—Indian Head. There are people who live in Indian Head and labour on the farm whenever they can get work, some of them all year round, some of them a number of months out of the year.

Mr. COLDWELL: I intended to mention that.

Mr. GARDINER: These men are paid on a basis which has some relationship to farm labour in the surrounding community, because they really do farm work in the fields which is the same as is done by others who are working around, I think the pay is usually higher than that for other farm labour, but not sufficiently high to make everyone want to work there.

Mr. COLDWELL: What is the hourly rate there now? It used to be 25 cents.

Mr. GARDINER: It was around 35 cents, but I understand it has been put up 13 cents, which increases it to around 48 cents.

Mr. COLDWELL: That is better.

Mr. GARDINER: I think that will tend to draw labour to the farm. At the present time, I imagine, wages just about as high are being paid on farms round about for certain types of work.

On the other question, relating to scientists, a number of considerations enter into the matter of the pay. One, of course, is the ability of the individual, which in a service such as the civil service cannot be given the same consideration as an industrialist would give to it. We are governed by the rulings of the civil service commission, which must be more or less standardized. Industry is not affected by that kind of thing. I have not looked into the subject sufficiently to know whether the United States system of hiring persons is governed as closely by civil service regulations as ours is, but they do not seem to have more leeway in bidding for the services of highly qualified scientists.

This year, as I have said, on one or two occasions we have insisted that, under regulations last year which came into effect on April 1st of last year, these payments should be reviewed throughout the departments. As I said the other night, we are getting along with the job more rapidly than most departments, but we are not satisfied that all the increases which ought to be made have yet been made. We agree that we should pay these men just as much as we can pay them in relation to the costs which are being put against the people generally in order to meet their obligations. Having said that, I think I should add that there are many people who would rather work for the government than for anybody else.

An hon. MEMBER: No, no.

Mr. GARDINER: Somebody says, "no, no". I do not happen to be one of these myself.

Mr. COLDWELL: You have been doing it a long time.

Mr. GARDINER: But I find that every time we ask that a position be filled a great many people want the opportunity to fill it. I can understand that. They come under the civil service; they are guaranteed employment, provided they apply themselves to their work, until they are sixty-five, and then they have superannuation. In industry one is very fortunate, in certain lines, if one can stay beyond forty or forty-five. Superannuation allowances or similar compensation may be provided, but after all, people like to work as well as to get money for working. A scientist does. He likes to work, and he would like to be sure that he will work until sixty-five.

He does not want to stop at forty-five and hang around the rest of his life. I can understand that type of individual wanting to work for the government and being prepared to work, having these guarantees, for a little lower return. Whether we should ask them to accept these salaries or not, there are so many of them ready to do this work and trying to do it that there is more difficulty than one might imagine in raising the salary level when dealing with public funds.

Mr. ROSS (Souris): Regarding this matter of agricultural scientists, when the minister's estimates were up last year I put on the record a chart showing what scientists in similar employments in industry and other services received in Canada, the United States and Great Britain. I am sorry to say that what our men received was considerably less than the pay for analogous positions in the United States and Great Britain. It may have some relation to what has also been stated here, namely that agricultural producers in Canada receive considerably less than the producers in either the United States or Great Britain. However, as I said then, and has been said by the hon. member for Rosetown-Biggar, our farmers can scarcely estimate in dollars and cents what some scientists have done for them in the production of rust-resistant wheats and other things of the kind; and I just want to put in a plug for the minister in getting better remuneration for these agricultural scientists whenever the opportunity presents itself, because occasionally, I am sorry to say, we lose good scientists to these other countries. While they like the work, they are human enough to want to be paid for it, and sometimes they cannot resist the offers of high remuneration which come from other countries. Now and then we lose an outstanding man because we do not pay him sufficient money. I believe anyone who studies this situation at all will be quite satisfied to see this class of civil servants paid the worth of their hire.

Will the minister state what has been done recently in the matter of developing newer types of rust-resistant wheat, both the hard variety and the durum varieties? What are the newest types of wheat and their possibilities, so for as the department can say now?

Mr. GARDINER: There are only two new varieties of wheat which have been developed recently and are ready for release. One is hard spring Renown, which is a rust-resistant wheat, and the other is the Rescue wheat, which is sawfly resistant. Experiments are being carried on in the developing of Durum, and of other hard wheats which are rust-resistant, but they are not ready for release —and on the soft wheats, too.

Mr. ROSS (Souris): What about the Carlton? Is it sufficiently recognized as rust-resistant?

Mr. GARDINER: No, it is not ready for release. It is being experimented with.

Mr. BRADETTE: I know I shall be forgiven if I bring to the attention of the committee a question which has been agitating our section of the country for quite a while. I do not feel very diffident about it, because the minister will realize that ever since I have been in the house this is the first time I have asked a question on his estimates.

I want to mention a position which is now open, the superintendency of the experimental farm at Kapuskasing. Before proceeding any further I want to pay a tribute, and in doing so I believe I am voicing the opinions of every section of our population, to the retiring superintendent, Mr. Smith Ballantyne, that fine, big, Nova Scotian who, after living for forty years in our section, has become a real northern Ontarian. He has done real work in his position and he will be greatly missed. Everyone concerned must compliment the Ontario government upon having caught Smith Ballantine on the rebound and given him a fine position in northern Ontario in connection with agricultural and colonization operations, for which he is well qualified.

I think that the deputy-minister knows our position well; in fact, that he realizes the situation as well as I do, because he has done us the honour of visiting our section of the country and that particular farm on many occasions. When the La Ferme experimental farm in Quebec, which is adjacent to our own section in northern Ontario was closed around 1934, more work was put on the shoulders of the experimental farm in Kapuskasing. That is why in replacing the man who had carried on that work there for many years in a satisfactory manner, certain regional and racial considerations had to be taken into account.

The experimental farm at Kapuskasing is serving an agricultural population of almost three quarters of a million people. In my own section, the Cochrane district, we have had the greatest development in colonization and agriculture in Canada in the last two decades. If you visited northern Quebec in the Abitibi, Pontiac and Chapleau districts you would also see one of the greatest agricultural movements, second only to the one that was experienced in the three western provinces. On its

own initiative, and without any help from the outside, Quebec is building a great agricultural district that will one day reach as far as the Hudson and James bays. We have also the same thing, but on a smaller scale, in northern Ontario.

For many years the experimental farm at Kapuskasing has rendered excellent service to our colonization and farming populations. If I remember correctly it was in 1916 that the ground began to be cleared, mostly by German prisoners of world war I. It is a marvellous site; it has good soil, but because of climatic conditions they are carrying on a type of work which cannot be carried on even at the experimental farm at Ottawa.

This is a regional question. I am giving a personal viewpoint. The person who replaces Mr. Smith Ballantyne must be bilingual, as I said a few moments ago. I made that statement deliberately because I stand foursquare for fair play to every section of our population. My record as a parliamentarian and in my own district will bear out that statement. May I repeat that at least three-fifths of our farming population covered by the activities of this experimental farm are French speaking only. Because of that the superintendent of the farm must be bilingual if his work would be really effective. We have found the man who is fully qualified, a man who has worked under the leadership and guidance of Smith Ballantyne for a number of years. He graduated to a higher position in Quebec under the federal Department of Agriculture. At some personal sacrifices he is now ready and willing to return to Ontario, which he always loved. He loves our section of the country and its population. I believe he has been in the service in a high official capacity for nearly thirty years. All he wants from the department is to be raised to a higher grade. I believe he now occupies the position of grade 3 or 4. He wants to have one higher grade, which will mean an increase of $500 a year in his salary. I agree with what the hon. member for Rosetown-Biggar and the hon. member for Souris so well said a few moments ago, in the matter of increased salaries for our expert men. I am not acquainted with the inner workings of the department; I have never tried to interfere—I never will; and I know they will bear me out in this. I do not know what their decision should be, but as an outside man of the service who knows something of ability, intelligence, integrity and the necessity of maintaining high standards in the work of experimental farms I believe that the increase should be given to this well-qualified man and men of his qualifications whose appointment will give satisfaction to the English and French-speaking sections of our population.

I want the committee fully to realize our situation. It is true that the experimental farm at Kapuskasing is located in Ontario and serves a large section of the population there; but it is also true that a larger section of the agriculturists who receive benefit from the activities of that farm live in Quebec. Because of that I know the committee will realize the logic of my request. That is all I want to say on this subject. I must say here that I leave it entirely in the hands of the department, which has been fair to the agricultural population of my district so far as departmental activities are concerned. However, I do make a serious request, namely, that the man to whom I have just referred and who is well known to the deputy minister and the minister himself, a man who is well qualified, a man who will be a loss to Quebec if he leaves that position to come to our province, should be given consideration. He would be an acquisition to us. His request is a logical one. I am not giving his name, because I do not think it would be fair to him or to the department. I hope that our population will receive that appointment which they are eagerly looking for in the very near future, as there is much work that should be continued in an accelerated way on that farm.

Mr. GARDINER: Just to avoid any misunderstanding with regard to one remark made by the hon. member, may I say that I wondered whether this man who is spoken of had left us and gone over to Quebec. I know that was not what the hon. member wished to say. To be perfectly plain, he is still with us, and as has been suggested, he is one of the best men who could be secured for that position, but he is the best man who could be secured for the position he is in at the present time. There is the question whether he could serve the department any better in one place than another. I am sure it is recognized by the people where he is that he is serving them particularly well, as he would serve the Kapuskasing area. The question that comes up in the department is whether changing a man from one place to another to do a similar job at increased pay is going to have any effect on the staff itself, as those moves can do at times; in other words, the question whether it would help to move a man from one place where he is doing good work to another place where he would do equally good work—and he has always done good work. He is one of the best

men we have. That is the only question that is now being considered, whether he can be moved and given what he desires. He probably would prefer to stay where he is without an increase in pay, and of course we would not insist on his moving and remaining in his present classification. These are matters of internal administration that I do not interfere with. The question has to be left more or less to the persons who are responsible for making the greatest possible success of the administration of the experimental farms.

Mr. BRADETTE: May I make one reference to what the minister has said? I do not know whether I should say this, but I believe I have the right to say it. By doing so I am not hurting the man himself, and this will not be held against him. He is willing and will be ready to come to our section of the country. That is all I want to say at the moment.

Mr. GARDINER: With increased pay.

Mr. BLACKMORE: Would the minister tell us what proportion of the total allotment for experimental work the Lethbridge farm is receiving? What is the nature of the work being carried on?

The hon. member for Acadia raised the question of weed control. The idea I have in mind is a little different from his. I should like to know what the experimental farm at Lethbridge is doing in connection with weed control. A serious situation is developing in my constituency. Within the last few years four exceedingly serious weeds have come into that area—They are: the leafy spurge, the field bindweed, the hoary cress and the Russian knapweed. They could be a menace to the whole of western Canada if they ever got completely out of control. If work on the control of these weeds is being carried on, would the minister tell us about it? Would he tell us whether in the judgment of the men responsible there is adequate machinery available to the Lethbridge experimental farm for the carrying on of a study of the control of these weeds? Have they sufficient staff? Is there enough money to give the staff the hired help which they need in order to accomplish the desired results? What is being done in this connection at the Dalroy substation of the Lethbridge experimental farm?

Mr. GARDINER: Weed control work is done at the substation in question. The amount spent at Lethbridge, out of the votes which are being discussed, is $78,790. There is, I understand, about another $80,000 which comes under item 16, which has some relationship to the Prairie Farm Rehabilitation Act, but the total amount here is $78,790. Weed control also comes under item 16, and I do not know that there is any reason why I should not say, under administration, in connection with all these votes, that weed control by the methods indicated a few moments ago is being carried out on the different experimental farms. As I have said, work is being done at the substation just mentioned, under the control of Lethbridge, and there is also work at Indian Head and other experimental stations. The treatment is a very successful one. I said yesterday that I had had the privilege of noting the work which is being done at Indian Head. The road from my farm to Regina leads past that station and I drive by it continuously. I did so last summer and was more than surprised to find how successfully you could spray a field. They sprayed one strip and left another strip unsprayed. A field that was infested with mustard was sprayed and the mustard was entirely killed, while in the field which was not sprayed the mustard was there as before. The peculiar thing about it was that the ground seemed to be better after it had been sprayed than the ground which had not been sprayed.

Mr. CRUICKSHANK: Is it expensive?

Mr. GARDINER: About $2.50 an acre. It is apparently a successful mothod of dealing with mustard at least and, I assume, with other weeds such as the stinkweed, what we call the French weed.

Mr. BLACKMORE: The point of greatest importance to us is that these four weeds are deep-rooted perennials which have peculiar habits of growth that make it next to impossible to kill them with the devices that kill ordinary weeds such as stinkweed and mustard. The men in my constituency used to think that they had real trouble when they were faced with the Canada thistle and with the perennial sow thistle. They thought they had reached the climax when they had to cope with those weeds, but they decided that, in comparison with their experience with these four new weeds, they did not know what weeds were. I am wondering if any kind of chemical control has been discovered which is effective against these four weeds. If a chemical remedy has not been found, has some method of culture or of crop rotation, been discovered, which has a chance of being successfully applied against these weeds?

Mr. GARDINER: Experimental work is being done to obtain a chemical which can be used against these four weeds, but it has not progressed sufficiently far for the depart-

ment to recommend or to guarantee it. They are still working on it, with a view to obtaining a chemical which will accomplish the same thing as the chemical now produced does accomplish in connection with mustard, and the hope is that they will be successful. There are cultural methods of dealing with all kinds of weeds, and they have cultural methods for dealing with these particular varieties. How successful they will be is a matter that depends upon those who are applying the cultural methods, but the farm at Lethbridge can give those in that community the best information that can be had with regard to the matter. Unfortunately I do not know whether the experimental farm at Lethbridge is treated by the neighbours in the same manner as some other farms I know of. It seems that those who live closest to a farm pay the least attention to it in many cases. People will drive many miles to go to a farm to look it over, to see what can be done, but those who live in proximity to that farm think it the natural thing to drive by without stopping to investigate. That is what they usually do. However, if people go and make inquiries at Lethbridge with regard to the experimental work being done there they will get the latest information available with respect to the handling of these weeds.

Mr. BLACKMORE: My chief concern in bringing this matter to the minister's attention is this. We may not realize how serious the situation is and for that reason we may not be giving the Lethbridge farm the amount of money which they require to conduct their experiments against these weeds and to push them to a successful conclusion. Let me indicate how serious the situation is. The leafy spurge has tap roots which often reach from ten to fifteen feet under the ground. Any man who has any agricultural experience will realize that it is impossible to reach the roots of a weed that goes so deep down. The roots run horizontally at from four to eight inches under the ground, and from these creeping roots come up new plants. Anyone knows that if these roots run eight inches under ground they are entirely below the reach of ordinary cultivation. It starts growing so early that smother crops are not effective against it. I am sure that all hon. members from Saskatchewan and Manitoba realize how serious is the threat to their own provinces if such weeds get thoroughly going in Alberta, with west winds blowing over that province.

Then consider the field bindweed. It has a root system which is quite extensive and which may penetrate to a depth of twenty feet. Roots of bindweed plants have been known to spread six feet outward and five feet deep in fourteen weeks after the seed germinates. Before we saw this weed in action in my constituency we would not have believed that any such plant existed, but we know now that it does. Then there is the hoary cress. The roots have been found thirty feet deep. Mature plants send running roots out at different depths beneath the surface, some of which are far below the depth of cultivation. It is exceedingly difficult to eradicate them in slightly alkali lands. Thus it is a menace to our whole area. We have four irrigation projects in our constituency, and wherever there is irrigation there tends to be some alkali development. It is proposed in that region to have a conservation project which will bring under water 350,000 more acres. Hon. members can see therefore how serious the situation is with weeds like these spreading into those areas. They cannot be eradicated by any method which the farmers so far have discovered.

The Russian knapweed is a perennial, propagated by seeds and by running root stalks, and it is almost impossible for the smother crops to cope with it. One of the reasons why these weeds are so difficult for the smother crops is that they start growing so early in the spring that they fill the ground completely with roots.

I think I have said enough to impress upon the committee the gravity of the problem. It is not a fly by night affair; it is a potential menace to the whole nation. I urge the committee to support the minister in expending whatever money is necessary to cope effectively with this weed problem while it is still in the infant stages. It is only scattered here and there in small patches at the present time. I am told that in some places in the United States this weed has really got a thorough hold on the ground, that in those areas the cost of eradication is as great as the total value of the land, and that it has become impossible to get loans on land infested with it. Certainly no hon. member wants to see anything like that established in Canada.

Mr. ROSS (Souris): I support what the hon. member for Lethbridge has said. We already have this weed in Manitoba. The dominion experimental farm, in cooperation with the provincial departments of agriculture, is doing good work in experimentation. In fact they have a chemical they have been using for some years which leads us to the belief that the development of the weed can be controlled. We have not experimented long enough to have direct proof, but good

work is being done, and certainly I can substantiate everything the hon. member has said about the seriousness of leafy spurge. When I served on a municipal council we found that the cost of keeping it down and preventing its spread was greater than the original value of the land.

Mr. HATFIELD: For a number of years at the experimental farm at Fredericton experiments have been carried on in connection with a blight-resistant potato. Have any of these potatoes been released for planting? If not, why not? I understand some good varieties have been developed.

Mr. GARDINER: We have been experimenting with about twenty varieties, but they are not yet ready for release. This means that we are not ready to say that we are certain we have accomplished what we set out to accomplish. However, the experiments do give promise.

Mr. SENN: Recently in Ontario, and I expect in other provinces as well, there has been a revival of what are known as permanent grass mixtures. Experiments are being carried on by the federal experimental farm, by provincial experimental farms and by individuals. Recently Mr. Fraleigh of Lambton, a pioneer in this work, died. He did good work in the development of grass mixtures of different kinds for permanent pastures. What is being done by the central experimental farm and by other federal farms in this connection?

Mr. TOWNLEY-SMITH: Would the minister tell us the present situation in connection with Rescue wheat? This wheat was developed comparatively recently, and has proved more or less resistant to damage from sawfly. Entomologists and plant breeders have done excellent work in originating and giving to us this new wheat. We learn with some dismay however that it will grade no better than grade 3. That is as high as it can go, owing to some weakness or lack of quality in the wheat itself. We appreciate deeply what these men have done, and we wonder if the minister could tell us why the wheat cannot be developed to a better grade. So far as I can learn, it is saving the western provinces from $15 million to $20 million a year, which they previously suffered from sawfly damage. We should be glad to know more about this wheat.

Mr. McIVOR: We have in the Thunder Bay district an experimental substation second to none. It is developing rapidly, and is helping development in the community. People who pass cannot help stopping to see what is taking place. They are carrying on experiments in connection with fruits, vegetables, grains, grasses and pasture lands. The exhibition of spraying and killing weeds put on last fall at our field day surely told its own story to those who saw it. At that substation we have an expert equal in ability to the one referred to a few moments ago. He does his own work, and assists in connection with farm improvement throughout the community. He is also giving direction to young men returning from the war. The latest event was when two of those young men, one of whom had been a pilot, purchased two farms and have shown that they can get along well on them.

Last year I referred to our potatoes with a yield of 500 bushels to the acre, and on that occasion the hon. member for Haldimand was able to tell me the average yield. I am sure, however, he cannot equal the yield of one farmer who entered the competition and who, without question, raised 619 bushels to the acre. Some of the farmers in the house who think they know how to grow potatoes will be glad to seek the advice from this expert.

Mr. GARDINER: May I speak first about the mixed grasses for pasture purposes. As the hon. member for Haldimand knows, the mixtures are not the same in all communities. We are carrying on experimental work, based on the work formerly done by Mr. Fraleigh. That work is being carried on successfully at different experimental farms across the country.

Western members will know that sawfly did not do a great deal of damage for some years in western Canada. Gradually the damage has increased to the point where in some areas it is almost impossible to grow wheat. One might say that that has been the history of growing wheat. Wheat growing, as I recall its history in this country, started down on the little island at the mouth of the St. Croix river. They could grow wheat there, and the growing of it extended across Canada. I can remember that when I was a boy on a farm in Ontario the only kind of spring wheat grown there was Goose wheat. My grandfather and my father used to tell me that they grew nothing but spring wheat when they went there first. There came a time when they could not grow it, because of certain things that had happened in connection with the growing of it. Wheat growing on this continent has moved gradually westward and northward. Wheat, like another plant we mentioned a few minutes ago, is subject to certain diseases and insect attacks. If the growing of it is overdone, if we crop wheat year after year with very little rotation, we

eventually build up the pests which attack the plant. If this is continued, we may be driven out of wheat in some areas.

Without the experimental work that has been done in connection with rust, probably by this time we would have been almost out of wheat production on the prairies. Our crops were wiped out so many years in succession that we simply had to stop trying to grow wheat at all. Had it not been for the finding of rust-resistant varieties, our corps would have been greatly reduced. We find that when wheat such as Thatcher is grown continuously in one area, the rust-resistant qualities decrease. We thought it was one hundred per cent rust-resistant over great areas when we began growing it, but I think to-day it is rated at about sixty-five per cent. It is just possible that, by being grown over and over again, varieties may get back to a position where they are not resistant to some attacks. Therefore the experimental farms keep working at their job all the time, and continue to develop new varieties which will resist different kinds of rust.

The sawfly is another thing which is being dealt with. This is the insect that cuts off your wheat, and by the time you are ready to harvest it, it has harvested it for you and there is nothing you can do about it. The department has been working on the production of a sawfly resistant wheat and has produced one variety which is able to resist the sawfly fairly successfully. This has been distributed earlier than it otherwise would have been because of the great damage that has been done by the sawfly. It is not a variety which will stand up against grading to produce the top grades. I am not in position to indicate all that it lacks, but baking and other tests which have been made show that it is not capable of being placed in the top grades, and it would not be fair to the consuming public to have it placed in those grades. It must be graded down because it does not produce the results that the higher grades of wheat will produce. This does not mean that we cannot get a wheat which will be sawfly resistant as well as being a top grade variety. The work being done is in an effort to obtain wheat which will be sawfly resistant and rust resistant, give a good yield and grade good quality all the time. When such a wheat is obtained it will be classified along with the others. In the meantime we are carrying on with the investigation and experimentation.

Mr. McKAY: Are there any means by which the public could obtain the reports submitted to the parent units by the substations?

Mr. GARDINER: Substation reports are furnished annually. When anything of value is accomplished or discovered as a result of work carried on at a substation, it is carefully compiled and every five years a publication is put out containing all the information regarding that work. While I have not anything before me at the moment which would substantiate this, I imagine that if anything of outstanding importance were discovered as a result of experiments carried on at a substation, it would be given publicity immediately.

Mr. McKAY: Has that been the practice in the past?

Mr. GARDINER: The practice in the past has been to compile it as it comes along and publish it every five years.

Mr. MacNICOL: As a city representative I rise mainly to make a few observations about the experimental farms, a number of which I have visited. I have come to the conclusion that every dollar that this house can vote for experimental farms should be voted in order that the benefit of the work carried on there may be extended, not only to the particular communities but to Canada as a whole. This is one of the best branches of the whole department, and in this connection I should like to say a word or two about four of the experimental farms that I have seen in the last two or three years.

The Indian Head farm is carrying on a wonderful work in the production of shade and other trees for distribution throughout the west. The head of that farm gave me the figures of this distribution, but I have forgotten them. If they were put on *Hansard* I am sure they would be found to be quite formidable.

I should like to refer to the work being carried on at the Swift Current farm in the development of new machinery. One man there who apparently has a mechanical turn of mind showed me many machines which had been developed at that station and which had demonstrated great value.

Mr. GARDINER: That would be Mr. Denike.

Mr. MacNICOL: I understand that the large agricultural machinery companies in Brantford, Toronto and Hamilton have sent men out there to investigate the possibilities of many of these new machines, and then have proceeded to manufacture the equipment. The department should have credit for this work.

Splendid work is being carried on at the Lethbridge farm, particularly in connection with the irrigation of areas such as those in the constituency of the hon. member for Lethbridge. While the hon. member for Peace River does not represent a similar area, he has considerable knowledge of irrigation. I was glad to hear from the hon. member for Lethbridge that this experimental farm is developing a method to overcome the increase of weeds.

The last farm to which I would refer and about which I should like to have the minister say a word or two is the one at Beaver Lodge, which was organized under the supervision of Mr. Albright. I did not meet Mr. Albright when I was there, but I did learn that they had developed a type of apple tree which would grow in that part of the country —I was going to say, in that northern climate, but it is not really so far north. I have learned from the hon. member for Peace River that apple trees are being grown on the north side of that river, notably by Mr. Early, who, I believe, obtained his tree stock from the Beaver Lodge farm. I should like to have the minister tell us something about the development of apple trees at this farm and, if the figures are available, something about the distribution of trees by the Indian Head farm.

Mr. GARDINER: The distribution of trees by Indian Head has been going on for many years. There are two forestry farms in Saskatchewan, one at Indian Head and one at Sutherland, near Saskatoon. I have not separate figures for the two farms, but we did distribute from six to ten million trees from the two farms. These trees have been distributed free of cost but they must be planted under regulations set by the farms. The farmers who got those trees have taken great care to follow the instructions. I happen to have a farm where the tree planting was done by the farmer who had the farm before I had it; I bought the farm with this work already done. The former owner had no special knowledge about growing trees but he took instructions from Indian Head and planted the trees as they told him to plant them. The trees now make a very fine windbreak around the buildings. Many of them have been there since near the beginning of the century. Trees have been distributed from that time on, and earlier than that, now all over the western country. The nurseries themselves have brought up the question occasionally and have insisted that the work be carried on. One might think that the nurseries might object to it, but when the matter was fully discussed they have always agreed that this distribution of trees induced so many people to want to have shrubs and trees around that it helped the business of the nurseries, because once people had learned to grow a certain type of tree, it led to them purchasing other kinds.

The work carried on in the west with regard to apples started at Morden, which is the centre from which it all radiates. When I first went west in 1901 I was living sixty miles from Morden. Everyone talked about the place. When you went by Morden on the train you would always see a case of apples on the station platform during the apple harvest season. They were a very nice appearing variety of apple, and most people got off the train to look at them. The idea of growing apples in the west has spread from there all across the prairies.

On the map, Beaver Lodge seems to be quite a distance north of Morden, but when I first went up into the area represented by the hon. member for Peace River I was astounded to find them growing there the type of grass crops grown in Ontario. They actually were seeding timothy and clover, which we did not seed in Saskatchewan or in southern Manitoba. If one is familiar with the growth around Morden and then goes up to Beaver Lodge and takes a look at the growth there, one finds much the same crops growing there as at Morden. In other words, the climate of the western country runs along a line which parallels the Rocky mountains almost all the way across the prairies. If you draw one line down the height of the mountains and then go fifty miles inland and draw another line paralleling the first, generally speaking the climate follows that line. But there is this variation; the height of the mountains in the north is lower than to the south and the warmer winds get farther in from the Pacific. This warmer climate brings about a growth in the north to the west such as you find in Ontario. For that reason the plants first developed at Morden have been transplanted to Beaver Lodge farm. It was first operated by the late Mr. Albright himself on his own farm before we took it over. He had an illustration station and worked on it and developed it himself with the assistance and help of the officials who would call in to advise and help him. Throughout his life he did a great work for agriculture in that area. The farm is now operated by the department; the trees have been transplanted from Morden to Beaver Lodge and sent out to illustration stations over the whole area, and many people are now growing fruit trees, particularly apple trees, in that area.

That, generally speaking, is the work that is being done. I think the hon. member for Melfort will agree that much the same conditions obtain in the northern part of his constituency. There are men there who have made a real effort to grow fruit, apples, plums and cherries, and you would be surprised at the results they have achieved. Their orchard is the first thing they take you to see, whether they are growing wheat or raising hogs, of which my hon. friend speaks so often in the house. They are very proud of their orchards, and proud of the results they are getting.

Mr. MacNICOL: Would the minister say a word about machinery?

Mr. GARDINER: I had intended to do so. I am quite sure that if the farmers of Saskatchewan, Manitoba and Alberta would write to the experimental farm at Swift Current before they bought farm implements, they would save far more money than they would lose by the 12½ per cent increase in the price of implements. There are many implements purchased in western Canada which the farmer is better off without. An agent persuades him to buy some implement on which very little experimental work has been done. The farmer buys it and uses it one season and then throws it into a fence corner, if he has a fence. That expense could be saved if they would only write to the experimental station when they think of buying any new implement. I have always worked on the principle myself on my own farm that as long as an implement is doing a job all right I do not buy another kind of implement. I was out at the experimental farm at Swift Current two or three years ago and I took a walk down along the end of the plots where they are experimenting with different kinds of equipment. They had all the newest equipment that is put out—combine seeders, combine harvesters, and the rest. But what I was most interested in was the plots which demonstrated that you got the best results with the old-fashioned plough and the old-fashioned harrow and cultivator and the old-fashioned seed drill. I looked at the plots as I walked along the end, and I saw that it was these old-fashioned implements which produced the best results, I went home quite satisfied that I had not bought many of these new-fangled implements which are put out to save a great deal of money and do so many things for us.

On a number of occasions I have discussed with the director, as he will remember, the advisablity of our putting out publications saying what we think. There is some danger in that too. We find that when we put out statements saying what we think, the farmers sometimes do just the opposite—even if it has to do with summer-fallowing. You get the best results when the farmers go to the experimental farm and see the results for themselves. Some take advice a little more readily because they feel they had something to do with discovering the truth of it. But if you try to drive them into doing a thing, not only do you meet with opposition from the man who has bought one of these new implements and thinks it is doing a good job, but there are also the implement companies who can send out more agents to tell the opposite story to the one we can tell with the money that is voted to us. So we hesitate to start any controversy. I say again that if every farmer will go to these experimental farms and look at the experiments which are being carried on, he will be able to judge for himself and save himself a great deal of money on his farm.

Mr. FAIR: We have to have a certain kind of implement suited to a certain kind of soil. Using the old implements on certain kinds of soil did not succeed very well in western Canada. Try using a disc and harrow on sandy soil, and you will get into plenty of trouble. Many farmers in the west had to discard those implements and use some of the new-fangled ones. The tiller to use in spring time brings the best results in my part of the country. You have to pick certain implements to suit your type of soil, in just the same way that you choose certain varieties of wheat and other grains to suit the soil and locality in which you are farming.

Mr. WRIGHT: The minister touched on an important point just now when he said that probably the best way to spread this information is by people going and seeing for themselves. Before the war, experimental farms held field days to which they invited groups from different parts of the country adjacent to the locations of the farms, to go to the farms and see what was being done there. Now that the war is over and cars and gas are available, these field days should be reinstituted as soon as possible. Business organizations, farm organizations, in fact any organization within fifty miles or so of experimental farms should be invited to spend a day at these farms where the work which is being done may be observed at first hand. It is valuable work, work which will save the farmers a lot of money if they will see and observe it, and if they personally see it

they are more likely to follow what is being done than by reading about it in a pamphlet or a paper. So I recommend that the experimental farms revive the field days which they had in the past.

One question: is anything being done at Melfort experimental farm in the way of experimentation with permanent grass mixtures for pasture? I am sure that in that northern area—and I speak after some twenty-five years of observation—we must have rotation of crops if we are to maintain our soil fertility, and I suggest that if the experimental farm is not doing something along that line the work should be started at once.

Mr. GARDINER: Yes, that experimental work is being carried on at the Melfort farm, particularly with grasses which may be used to prevent erosion.

With regard to the other question, we are organizing this year over three hundred field days. During the war, because of regulations against the use of tires, shortage of gas, and that sort of thing, the organization of these field days was dropped, or discouraged for the time being. They are now being encouraged again, and we hope to get back pretty well to the same level in this respect as we did prior to the war.

Mr. CAMPBELL: I am looking for a little information. Recently I had a conversation with one of the old country millers, and the story he told me caused me a good deal of worry. He said that the old country small bakers are pretty well passing out of the picture, and that the large mills are building huge bakeries to produce bread on a mass production basis. His claim was that our western wheat, while the very best for the small baker, rises too fast and is a little too hard to control in these modern bakeries, and they are now asking Canada to produce wheat which is not as fast, wheat which has more gluten and less protein. Has the minister any information on that?

Mr. GARDINER: I do not know whether it is the same miller or not, but a miller of the Scottish Cooperative was in this country during last winter. I had discussed the matter with him in Glasgow in January, before he came to Canada, and I also discussed it with him later here in Ottawa. The idea which has been mentioned by the hon. member is much as he stated it to me, and I assume that what he says is correct, because he is one of the leading millers of Great Britain. Throughout the years the Scottish Cooperative has used a larger percentage of our wheat in their milling than any other mills in Great Britain. As a matter of fact, prior to the world war they were using 100 per cent of our wheat in all their best bread. They used other wheats for other purposes, but for bread-making flours they used 100 per cent of our wheat. They were doing that in 1936 when I was over there, and other mills at that time in England were using 30 to 40 per cent. When a miller of that kind, a man who has been associated with a milling organization which prefers to use all our wheat, and advocates doing so even now, calls our attention to the fact that a change is probably taking place in methods of baking in Britain which will require a little different type of wheat, I think we should pay some attention to it, and I am quite sure that the officials of the department will be paying attention to it.

Mr. BLACKMORE: What information has the department regarding the progress of studies of bacterial wilt in alfalfa? My information is that so rapidly has this pest progressed in the alfalfa fields in my area that numbers of fields are almost completely out of production. I am told that the Lethbridge experimental farm is devoting a good deal of attention to this problem and that if it is not making all the progress which is desired this is probably because it is not receiving enough financial support. Could the minister tell the committee what is being done at the Lethbridge experimental farm to meet this condition, who are the men who are particularly working on the investigation of bacterial wilt in alfalfa, and whether he feels they are adequately paid and equipped?

Mr. GARDINER: The men who are investigating bacterial wilt in alfalfa are really engaged in a branch that we have just passed, that is the science branch. The work which is being done on experimental farms is associated with trying to evade the results by selecting seed carefully and then by not planting on the same ground too soon after the wilt has appeared there in any year. In other words, it is being done through rotation of crop and seed selection in so far as the farmers are concerned, and I am informed that in so far as it is necessary to do that work in connection with experimental farms the men are there and the money is available too.

I might say that in a number of these matters hon. members have raised questions about, we have no difficulty in getting the funds which we have in these estimates for those particular purposes. The question which arises each time we come along is, "Well, how much can you efficiently spend during the

year on that particular work?" That depends upon the help we can get, just as often as it depends upon the money we can get. That, again, comes back to the question we were discussing here earlier. You would probably say in answer to that that if we pay enough salary we will get the men. Maybe we would. I would not be too sure about that. At the moment our main difficulty with all these matters is getting a type of technical staff which can deal with the problems that are there, and as far as we are able to get the men to put on the work we have been able to get the funds to deal with it.

Mr. BLACKMORE: May I say, in addition to what the minister has said, that while this problem of bacterial wilt in alfalfa does not of course assume anything like the proportions of the problem I raised a few moments ago with regard to those four kinds of weeds, nevertheless this problem is a serious one in that area, because alfalfa is commonly raised at present as one of the series of crop rotation plants which are used in connection with sugar beet culture. Therefore everything that can possibly be done to discover an effective way of controlling bacterial wilt should be done as soon as possible. I am told that one of the projects they are following is to develop a new type. I understand that Grimm alfalfa is the type commonly used in the area, but that it is believed by certain alfalfa scientists that an entirely new kind should be developed in a manner similar to that in which have been developed new kinds of wheat, namely, rust-resistant and sawfly resistant wheat.

Item agreed to.

Experimental farms service—

15. Branch farms and stations and illustration stations, $1,960,886.

Mr. ZAPLITNY: I understand that the only stations being operated in Manitoba are at Winnipeg, Morden and Brandon. If that is so, would the minister consider the possibility of establishing one farther north in the province. A little while ago the minister said that wheat growing had gradually moved westward and northward in the prairie provinces. That is true of Manitoba as it is of the other provinces. In the northwestern part of Manitoba where my constituency is situated there is good farming country, but there is no experimental or illustration station at Dauphin, which is a good farming centre. I should like to bring to the attention of the minister the possibilities that we have there. Last year the question of the disposition of the airports at Dauphin came up. The No. 7 bombing and gunnery school is located in a good place for a farming station. It is close to the river and contains fairly good farming soil. The buildings, equipment and facilities there are as good as will be found anywhere. Has the minister or any of his officials given consideration to the possibilities of taking over this No. 7 airport, which I understand has been declared surplus, and establishing an illustration station there? It is a project that would meet with wide approval in the area.

Mr. GARDINER: There are the three larger experimental activities at Morden, Winnipeg and Brandon. Then there is quite a large sub-station at Melita. We have six other smaller sub-stations and seven illustration stations. Most of the seven illustration stations are in the northern part of Manitoba. There has been some discussion of the possibility of utilizing the airfield at Dauphin. I cannot say that the discussion has gone far enough for one to be warranted in suggesting that consideration is being given to purchasing it and using it for the purpose. The question as to whether that should be done has been brought to my attention through correspondence and I have brought it to the attention of the directorate. Beyond that it has not been considered up to the moment. I will agree that Dauphin is a fine agricultural area, and there are reasons for doing work in that district.

Mr. CRUICKSHANK: I should like to direct a question to the minister in connection with illustration stations. As the minister knows, my riding grows possibly fifty per cent of the strawberries and raspberries produced in Canada. I had a letter to-day from the largest organization of berry growers in Canada complaining about the illustration station that we have in British Columbia in connection with small fruits. As I understand it, the man who has been in charge of it has been away for three weeks. This is the season when berries are coming on. I understand that he is to be away for three months. I took this matter up with the minister before. I have every confidence in the experimental farm at Agassiz which has been in operation for over sixty years. I presume it is the best one since it is in the Fraser valley. The only attention given to small fruits is that which is given in the small illustration stations and I do not think much attention is given to small fruits in it at the present time.

The berry growers in the Fraser valley are endeavouring to make arrangements with the provincial department of agriculture to establish an illustration station, although it is a

federal responsibility. This is of great importance to the Fraser valley because we produce some ten million pounds of small fruits. At Agassiz practically no provision is made for the cure or prevention of diseases of various kinds of small fruits, particularly raspberries and strawberries. We are dependent on the small station. The minister's department would be well advised to spend some money on these small fruits, having regard to the fact that they produce so much wealth for the whole of Canada. I am in no way criticizing the Agassiz experimental farm, except that practically no provision is made to prevent the diseases of raspberries and strawberries. I should like the department to give consideration to establishing a small fruit illustration station in the centre of the valley. It was suggested that at least ninety per cent of the strawberries and raspberries grown in British Columbia are grown in the middle part of the Fraser valley. I think it would be foolish to establish an illustration station in a part of the valley where the soil and the climate are not at all similar to that where the berries are grown.

Serious consideration should also be given to establishing a station to do work in connection with bulbs. I read in the paper the other day that hundreds of thousands of bulbs were being imported from Holland. We have 700 small farms in the Fraser valley which were taken over from the Japs. Perhaps some of these could be used by soldiers to produce bulbs. We have been particularly successful in growing daffodils and tulips, but like any other plants, they got into difficulties because of disease. The department is spending no money on experimental work to find the cause and cure of these diseases in the Fraser valley.

I read in the paper about devastated Holland. If hon. members read in the papers that the bulb-producing area of Holland is flooded out I would ask them not to take this too seriously. I am not objecting to sending food to Holland or anywhere else, but I ask hon. members not to be misled by the propaganda about the bulb country of Holland being flooded out. The talk that they were eating bulbs there during the war is so much nonsense. It was not the bulb-growing country that was flooded. Two weeks after the armistice they were shipping bulbs.

I have a constructive suggestion to make. I would ask the department to establish two illustration stations somewhere in the Fraser valley, one for small fruits and the other for the bulb industry. We know from past experience that the small cost would be offset by the returns that would come to these two branches of agriculture in one year.

[Mr. Cruickshank.]

Mr. GARDINER: The layout in British Columbia is that most of the work which is done by us in relation to fruit is done at Summerland which, of course, is not in the Fraser valley. In the valley itself we have the Agassiz farm which is one of the oldest farms in the dominion and which was established in the first instance, as many others were, to promote the production of live stock and grains of one kind or another. We have a station at Mission which is given up to horticultural work. The suggested station in the lower part of the valley is one to deal largely with potatoes. There is a station up in the north near Prince Rupert and one on the island, which the hon. member for Nanaimo knows a great deal about. It is, as he knows, almost entirely horticultural. We do a considerable amount of work there in connection with diseases in bulbs. The suggestion that we should have two other substations to deal with raspberries, strawberries and fruits of that kind is perhaps a good one and we will give consideration to the representations made. It would be necessary to discuss the whole matter carefully, and have those substations so placed, if we were to establish them, that they would serve the greatest number of people in that area. There is also the one at Kamloops.

Mr. IRVINE: I wish to remind the minister of a matter I had an opportunity of mentioning briefly some time ago along the same line. In the Lillooet valley they are beginning to grow fruit and vegetables, but they have difficulty getting in touch with the experimental station, which I believe is down in the southern part, in Summerland, I think, which carries out experiments in fruit growing, the raising of vegetables and the like. The climatic conditions and the soil are both different in the Lillooet valley from those that obtain in the section where the experimental station is. It is true there is a visiting director—I do not know what his title is—who occasionally calls there and no doubt renders good service. The people in that section have recently begun to engage in the production of fruit to a greater degree than heretofore. The growth of fruit has been stimulated by the building of a canning factory there, and the people are anxious to obtain information which will enable them to do the very best possible. The board of trade has interested itself in the matter and is asking that a man of experience be stationed there, if possible. They are not asking for an experimental farm, but they would like to have an illustration station where information can be given and experiments carried out in the growth of fruit and vegetables in that section. I hope

that when the minister is considering the question raised by the hon. member for Fraser Valley he will keep Lillooet in mind, because I believe there are possibilities in that district.

Mr. LOW: May I say just a word about Beaver Lodge? During the war the work there was limited owing to the difficulty of getting help. I understand that their activities have been confined to maintenance, seed distribution and some advisory work. I should like, if possible, to get from the minister figures indicating the actual expenditure last year and the proposed expenditure for the coming year so that I may have some idea as to whether or not it is proposed to bring the staff up to strength and to restore activities at the station to the pre-war level. While the minister is getting those figures, I may make this observation. Horticultural work at Beaver Lodge station has been important and fruitful—I do not intend that as a pun—and it should be continued, but it requires assistance and money to do the work. That area is one where small fruits and even apples could be grown to advantage. It has all the advantages of some of the areas in Ontario and I should like to see sufficient money provided for proper work there.

Mr. GARDINER: The farm at Beaver Lodge did belong to Mr. Albright until 1939 when we took it over. The war came along in the fall of that year. Some of the staff we had engaged prior to that time were younger men and they went into the service and have been away. They are almost all coming back, and that staff is now being reestablished so that the work will be carried on on the same level as we had contemplated before. A great deal of it is experimental work.

Mr. LOW: Can the minister give me the figures with regard to expenditures?

Mr. GARDINER: The amount spent last year was $23,000 and the appropriation this year is $30,000.

Mr. IRVINE: The minister was interrupted before he could give me some information about the station at Lillooet. I would like him to have an opportunity to give me some assurance about that.

Mr. GARDINER: I was remarking to the director here, as the hon. gentleman was speaking, that the last time I was in Lillooet I thought they had one of the finest experimental stations I had seen anywhere operated by an individual. I have forgotten his name; I believe it was MacMillan or some such name. He had lived in the area when it was something of a mining district and had made money, and he had come back and was developing a plot which in the old days produced all the wheat consumed in that area. In the days when the gold rush was on they had their own wheat crops produced through irrigation, and their own mill, which milled the wheat so that they were enabled to provide themselves with the necessities. It was all done with the water from the placer mining. The water that was used to wash the gold, after the washing was used for irrigation.

When I was there a few years ago part of this land was operated under a system of irrigation that had been installed, and some of the finest work was being done in the production of melons, vegetables of different kinds and smaller fruits. It was some of the finest work I have seen carried on by an individual, and I hope it is still going on. I do not know whether we could do any more in there directly than to take advantage of the effort that is being put forward by individuals to select one of them and give him some encouragement, much in the same way as in connection with illustration stations on different farms throughout the country. It might be worth while considering the renting of a few acres from an individual and seeing that he gets returns which will make experimental work possible. There are great opportunities for something of that kind.

Mr. STIRLING: I listened with considerable interest to the minister's remarks with regard to apple growing in the prairies under the previous vote, and I believe those remarks would have been more pertinent to this item. About twenty-five or perhaps twenty years ago I had several times seen the progress being made with these apple trees grown in the shelter belts at Brooks. There were also some trees at a place to the east of Brooks, the name of which I do not remember. The minister now speaks of their now being far more widely grown than they were at that time. Have they attained commercial production at any point?

Mr. GARDINER: I think I could answer that by saying no. I doubt very much if they have, although I was astonished the last time I was at Morden to see the production of crabapples, for example. I doubt very much if one could get a better yield of crabapples anywhere than they have there. Some of the other varieties give very fine yields.

But the difficulties in connection with growing fruit trees on the prairies—or indeed any kind of trees—are so great that I doubt very much if it could be made a commercial venture. This is something which adds to

the variety of farm life. People who enjoy that sort of thing take great pleasure out of growing these trees, and from producing fruits and eating their own production. However, it would never become an industry in competition with the Okanagan valley.

Mr. TOWNLEY-SMITH: Since hon. members from British Columbia started this epidemic of asking for experimental farms, for the purpose of testing out fruits, I would ask the same for Saskatchewan. While it is true that the experimental farms already established in that province are testing out a certain number of trees, that work is only incidental to their general work. I feel the principal reason so much fruit is now being grown in Saskatchewan is that hardy and early varieties have been discovered. I believe there is room for a great deal of experimental work in connection with trees which ought to be grown in that province.

Therefore I repeat my suggestion to the minister that if arrangements could be made for an experimental farm in the northern part of Saskatchewan on which tests could be made of fruit trees, including apple, crabapple, plum, apricot and small bush fruits, a great deal of valuable work could be done, especially if the station went to the extent of distributing them. Skilled horticulturists could be put on the farm. They could do the budding and grafting on hardy stocks and roots, thereby making it possible for the farmers in the province to secure these trees either free of cost or at a very low cost. If this were done, I believe we would see a tremendous improvement in farming conditions and home life, because it is extraordinary when one sees how fruits in a garden or an orchard improve the pleasure of living on Saskatchewan farms.

Mr. GARDINER: The experimental work done at Morden is utilized by the farmers throughout Saskatchewan. I think it is correct to say that there is very little difficulty in areas from the Qu'Appelle valley north, and down the east side of the province, in growing some fruits. If one is attempting to grow fruit for the purpose of utilizing it I believe he would be well advised to grow raspberries, gooseberries, currants, and things of that kind, because they can be grown easily. In fact, they grow wild in those areas. Under cultivation they produce in abundance. My experience has been that I produce enough in my own garden, and with very little labour, to supply my own requirements and those of my immediate neighbours.

[Mr. Gardiner.]

I was surprised by the growth of raspberries. From what I had read my thought had always been that there was some difficulty in growing raspberries in a garden. However, my great difficulty has been to keep them from covering the whole garden, and taking up the whole room. They produce abundantly, and I have sometimes wondered why more farmers do not grow them.

What has been said by the hon. member for North Battleford is true. One does get a great deal of pleasure from going out into the garden and picking fresh fruits for use. There is no difficulty in growing berries in that area, but most of us do not take the trouble to grow them.

Mr. CHARLTON: I notice an increase of $2,800 in expenditures on telelphones, telegrams and postage for branch farms. This would seem a substantial increase. What is it for?

Mr. GARDINER: It covers thirty-two stations. The amount last year was $8,965, and the expectation is that we shall be doing more this year, requiring a greater amount. It is not too high when one considers the number of stations involved.

Mr. JAENICKE: Is it the intention of the government to extend the experimental farms service? The minister will probably remember that last winter he received a brief from one part of my constituency asking for the establishment of an experimental station in the heavy wheat land district around Eston and Snipe Lake. I have, of course, the minister's reply. Bt since other hon. members have asked for experimental stations in their constituencies I would ask the minister to give a statement as to whether it is to be the government's policy to extend that service.

It is a good service and one which should be greatly extended, so that the farmers can see for themselves the developments which take place. At present the farms are too far apart, so that only the farmers in the immediate vicinity can take advantage of the wonderful developments made at those stations. In the future money should be appropriated to extend this service and to establish more experimental stations throughout the country, not only in the west, but in the east.

Mr. GARDINER: The experimental farms have been established in locations which are supposed to take care of activities in a broad way. We do work in connection with cereals in some places, fruits in another and probably livestock in another. When we go out to deal with soil conditions we establish substations or illustration stations. These we do extend in

number. We are now investigating the possibility of establishing one at Eston, or in that area. The plan that we follow wherever it becomes necessary to test out the possibilities of certain soil areas is to put in either a substation or an illustration station to do whatever work is thought necessary. When we feel we have accomplished all that can be accomplished in a particular area we close up the station and move on somewhere else. Our desire is to extend this plan as far as the money that is voted will permit. Of course we are limited by the amount of money which is allotted.

Mr. BLACKMORE: May I on behalf of my constituency express the appreciation of our people for the Lethbridge experimental farm. The minister has indicated that in some instances the people who live around an experimental farm do not appreciate its efforts, but that is not the case with respect to the Lethbridge farm. This farm has taken a leading position for many years in the advancement of agriculture. One important problem with which it had to deal was that of soil drifting, and the device of strip farming, with which the minister is familiar, was developed and introduced by the Lethbridge experimental farm. That has proved to be of great value to the district.

Ever since I can remember, this farm has been under capable management, and it still is. I think it is only fair to the earnest civil servants who have devoted their lives so unselfishly to the welfare of the people that something should be said about their efforts and I take this opportunity of expressing our appreciation.

I urge that this experimental farm be given more and more support as the days go by. As I stated in my previous remarks, this farm is located in an area which offers many problems. It must be prepared to deal with problems arising from the great irrigation projects. There are two sugar beet factories and three outstanding canning factories located in the district. It must deal with such problems as coordinating the activities of the man who raises cattle in what is known as the short-grass cattle country with the activities of the feeders in the beet growing areas and those of the stock raisers up on the Milk river ridge. Men there are raising stock under entirely different conditions from those faced in other parts of the country.

The officials of the Lethbridge experimental farm have never needed to be told about any particular problem; my experience has been that they are always ready to reach out and take a lead.

There are some problems that will still require a good deal of investigation. One is the clutivation of sugar beets. As the Minister of Labour and the Minister of Agriculture both know, it is becoming increasingly difficult to get men to work in the sugar beet areas. Machinery will have to be developed to do this work, and the Lethbridge experimental farm is taking a lead in this connection. I shall not go into detail, but they are developing machinery to handle such operations as loading, planting and cultivating. These machines have been carefully tested and developed and information given out to the farmers, and the farmers have received this gratefully. The Lethbridge experimental farm has cooperated in every way with the officials of the sugar beet factories in the development of this machinery.

There is another problem that exists in the southern part of my riding. It has been found quite feasible to raise certain small fruits and the Lethbridge farm has taken the lead in this connection. They have taken different strains of small fruits and have sought to develop strains that would be suitable for the area.

I have no wish to multiply words by going into too many details, but I want to close by saying that the work of this farm has been deeply appreciated. I commend the minister for the manner in which he has supported this farm. If he will increase the amount of money for this purpose he will have our support.

Mr. BENTLEY: I agree with what the hon. member for Lethbridge has said, only I would apply his remarks to the Swift Current experimental farm with which I am more familiar. If every department of government could show the energy and initiative displayed by the staffs of the experimental farms, we would be very well served. This farm has developed a wonderful spirit of cooperation among the farmers of the area. I was sorry I was not in the chamber when the minister dealt with Rescue wheat, but suffice it to say that this wheat has proved to be an extremely important factor in the country between the constituency of the hon. member for Lethbridge and my own.

Like the hon. member for Lethbridge I should like to mention the neeed for expanding and developing new branches of work in this particular field. When we come to deal with prairie farm assistance we may find it more appropriate to bring up some of these matters, but I should like to refer to soil surveys which I understand would come under this item. I believe the Minister of Agriculture and the Minister of Veterans Affairs, and also

the provincial people, would find it beneficial if there were an extension in the soil-testing facilities so that there could be a speeding up for the benefit of veteran settlers. Quite a few people have not been able to get settled this year, and if this service was speeded up it would prove of great benefit to our soldier settlers.

Mr. LOW: I have learned that the founder of the Beaver Lodge station, Mr. Albright, died just recently, and I should like to have on the record my expression of appreciation of the work that he did in founding and developing that station. He will be remembered particularly for the splendid work he did in horticultural fields as well as for other advisory work he carried on. I understand that in recognition of his great services a scholarship fund has been set up to perpetuate his name.

Mr. McKAY: Would the minister care to indicate the nature of this prairie farm reclamation work?

Mr. GARDINER: Prairie farm rehabilitation work does not come under this item but under item 31. This is work which was done during war time at the experimental farms with funds supplied out of the P.F.R.A. vote. I should explain that a considerable amount has been transferred from the P.F.R.A. vote back into this department; all told it amounts to $400,000 odd. Most of it is in this vote, which results in a direct increase in the P.F.R.A. vote. The old vote was $2,000,000, and the new one is $3,000,000. In addition to the vote being increased by $1,000,000, there is $400,000 odd which was charged up to cultural work before and which is back now under this experimental farms vote.

Mr. McKAY: I presume this vote has to do with the draining of swamps. Is that included?

Mr. GARDINER: No; this is cultural work, the sowing of grasses to prevent the blowing of soil and so forth.

Mr. McKAY: There are stations in southern Saskatchewan doing that work and that is why I wanted a report on the substation in that area. Has this vote anything to do with that work?

Mr. GARDINER: This vote has to do with cultural work, for which $27,000 is asked; district experimental farm, horticultural substations and reclamation surveys, $152,000; grass investigations and coverage and rain surveys, $45,000; tree planting, $45,000; soil research and soil surveys of water erosion, $81,000; agricultural improvement associations and soil-drifting control, $56,000; cultural work on irrigation projects, $31,000; live stock surveys and sheep development, $12,000.

Mr. LOW: I would ask the minister if some studies are being carried forward in the Peace River area, particularly of those lighter soils which were cleared years ago and which through continual cropping have since become subject to erosion, water and wind and other forms of erosion. If these studies are being carried forward now, is the department receiving proper cooperation from the provincial department? We find that erosion is becoming a serious problem in certain areas of the Peace River country.

Mr. GARDINER: We have started some work at Beaver Lodge and two smaller stations we have up there. The work will be carried on and money will be spent there out of this vote for that purpose. As has been suggested, there are certain types of land that are subject to erosion. From what I remember of Beaver Lodge farm, one part is located on the higher land and the other part is down in the flats. Both types of land were secured so that we could experiment with both.

Mr. LOW: Are you getting good cooperation from the provincial officials in carrying forward this work?

Mr. GARDINER: Yes.

Mr. BLACK (Cumberland): I understand from the explanation given by the minister of this vote, which is a large vote of almost half a million dollars, that it is exclusively for expenditure on the prairies. I would ask the minister if there is any comparable vote applicable to eastern Canada and the maritime provinces. I should like confirmation from the minister that this vote is exclusively for expenditure in the prairies and the west.

Mr. GARDINER: There is considerable experimental work being done in connection with erosion at the four experimental farms in the maritimes, but there is no definite sum for the east such as is set out here for doing work in a fairly large way. I am sure that the hon. member has seen the work that is being done by the farm near his home, which has been very successful in giving information to the people in that area, but probably not as much will be done as under this vote.

Mr. BLACK (Cumberland): Yes, I understand that, but that work comes under the regular vote for the experimental farms in

the east and in the west. However, the item before us is a special appropriation of $451,340 applicable to special work on the prairies, and I was asking if there was any analogous appropriation for work of this kind or along this line for eastern Canada?

Mr. GARDINER: Of course the main problem in that area is the dykeland problem, which in a sense is somewhat similar to this. I can discuss the present position in relation to that problem more effectively under the prairie farm rehabilitation vote. I had hopes up until very recently of being able to report to the house that we were hoping to have something done in connection with this problem but I am not so hopeful now. I shall be glad to discuss that when we come to the prairie farm rehabilitation vote.

The particular vote before us is of this size largely because it was work carried on under P.F.R.A. We spent some $400,000 in doing that work, but it had to be done by the staffs of the experimental farm. There was no other way of having it done successfully without building up a second organization which would have overlapped the farm organization itself, so that we decided that it would be best to put this vote in here where the staffs that were utilized partly to carry out the ordinary work associated with the experimental farm vote would be all in the one item. It is work that will have to be carried on separate from irrigation work, which is more properly carried on under P.F.R.A., and everything else associated with water conservation. We have separated the two and put the one in here. If there is to be an act for western Canada similar to the one providing for prairie farm rehabilitation I think we should give consideration to one providing for matters like erosion and that kind of thing for eastern Canada. But I would rather discuss that when we come to the item, because there are some points which I should like to make known to the committee which would give us a better idea of how to proceed.

Mr. BLACK (Cumberland): I approve the suggestion of the minister, but I would point out that last year there was a vote of $2,000,000 for prairie farm rehabilitation applicable exclusively to the west, and this year there is a vote of $3,000,000, plus $451,340, or a total of $3,451,340 applicable exclusively to the west, subject to any explanation the minister may give us later when dealing with the larger vote. But there is no comparable appropriation to assist agriculture in eastern Canada in any form or for the reclamation of the marshlands. I shall not discuss this further now but wait until the minister is able to give us detailed information on the further vote.

Item agreed to.

Production service—

17. Production service administration, $38,865.

Mr. HATFIELD: I wish to ask if anything is to be done as regards the production of corn and sugar beets in Canada. I understand that we are now importing corn from South America and the United States, and sugar from the West Indies, and that there are large subsidies on these imports. I should like to know why the government does not pass the bonus on to our own farmers and have this corn and sugar beet grown in Canada.

Mr. GARDINER: The Canadian variety of hybrid developed at Harrow was, of course, developed through the experimental farm branch, who are not doing any considerable amount of experimental work in connection with sugar beets. Any work, or the greater part of it, which has been done in connection with sugar beets has been done in the provinces. We have not been promoting sugar beet production to the same extent as the provinces have.

Mr. HATFIELD: Why have we not?

Mr. BRYCE: I want to ask the minister if these veterinary surgeons that are referred to on pages 88 and 89 of the main estimates are what we call hog graders.

Mr. GARDINER: Which item is the hon. member speaking of?

Mr. BRYCE: They are referred to on page 89. The department is going to employ 143 more for the coming year.

Mr. GARDINER: We have not reached that item. Item 17 deals only with production service administration. If the hon. member will refer to the matter when we reach it I shall have all the necessary information.

Mr. BRYCE: What item does it come under?

Mr. GARDINER: I take it that it would come under item 18, health of animals.

Mr. BRYCE: If you go to item 18 you go past it.

Mr. GARDINER: Wait till I understand what the hon. member is talking about. Which part of the vote is it?

Mr. BRYCE: I am asking where the hog graders come in.

Mr. GARDINER: The hog graders come in under marketing service.

Mr. McCUAIG: I have a few remarks to make on item 17, Mr. Chairman. Will you call it six o'clock?

Mr. GARDINER: We still have five minutes to go.

Mr. McCUAIG: Because I am very much concerned about production services now and in the years ahead. I directed a question to the Minister of Agriculture, reported in *Hansard,* May 14, at page 1497, inquiring if the government had given consideration to retaining feed and seed in country elevators in the west until the present drought spell has let up and the 1946 crop is reasonably assured. The minister's reply in part was:

We shall have plenty of time to deal with that after July.

I do not think the minister gave sufficient consideration to this matter.

Mr. GARDINER: As a matter of fact, I may say that when I myself read it in *Hansard* I thought I had not given it sufficient consideration. I did not really understand what was being asked. I thought the hon. member was referring to this year's situation.

Mr. McCUAIG: Yes, I understand that. The minister's remarks yesterday were very much closer to the matter. He said, as reported in *Hansard,* at page 1593:

. . . unless the promise of crop conditions changes materially within the next month we are not going to be concerned so much about finding markets for our farm products as we shall be concerned about feeding the live stock we have.

These remarks are becoming truer every day, especially in the district I live in. This matter is of urgent importance right now, taking into account all things in connection with it. For instance, telegraphic crop reports of the dominion bureau of statistics dated May 14 show precipitation since April 1 below normal, Manitoba 38 per cent, Saskatchewan 41 per cent, Alberta 61 per cent. The same crop reports from Swift Current areas indicate that conditions have deteriorated owing to the dry, windy weather. Soil drifting has reduced the stand on isolated fields throughout that area. Many areas report that recent heavy frosts, in some districts as low as twenty-six degrees, have damaged early-sown grain, particularly barley. The full extent of damage cannot be determined owing to the early spring. Pastures showed good growth but are now turning brown in some districts.

My experience is that a week after the grass starts to turn brown it is bad for grain. This is the 17th of May; the season is getting pretty well on; and I think we should not leave it further to chance. Conditions could be much worse this year than they were, even in 1937. In that event we should be sure that enough seed and feed are kept in the west to take care of requirements for 1947 in the different districts affected. It would be the height of folly to have to ship grain back to those areas that are affected.

The wheat pool summary for the week ended May 10 states that the heavy frosts which were experienced throughout Saskatchewan have resulted in injury to all crops which were appearing above ground and that, because of the continued high winds, which in some areas reached a velocity of fifty miles an hour, damage by soil drifting has, of course, steadily increased, the condition has grown worse, and a period of calmer weather is urgently needed.

Because of the foregoing, seeding has stopped and the acreage is nine per cent, or 1,186,000 acres, lower than the "intentions to plant estimate as at April 30, 1947" issued by the dominion bureau of statistics.

A further report from the Canadian grain statistics, week ended May 2, 1946, shows 12,250,000 bushels of wheat in country elevators in Saskatchewan. Divide this between the 3,500 elevators and it works out to about 3,500 bushels to each elevator, which is very low indeed. And, now that there is a speed-up in shipments in Europe, this amount may be less. I note that the amount of wheat purchased by the farmers in 1937 through the government was over six million bushels. This is more than half the amount of wheat that is in the elevators of Saskatchewan to-day. Again I would urge the government to give this important matter its earliest possible consideration. If wheat has to be held because of crop failure, the government should see to it that prices will not be higher to the farmer than they are now for other domestic needs.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 76, for the relief of Albert Stuart White.—Mr. MacLean.

Bill No. 77, for the relief of Edward Mortin Montgomery.—Mr. Maybank.

Bill No. 78, for the relief of Evelyn Clare Ward Davis Murray.—Mr. Maybank.

Bill No. 79, for the relief of Esther Genevieve Johnson Potter.—Mr. Maybank.

Bill No. 80, for the relief of Wanita Winifred Ellerton Upton.—Mr. Maybank.

Bill No. 81, for the relief of Joseph Victor Emile Tassé.—Mr. Maybank.

Bill No. 82, to incorporate the Executive Board of the Church of the Nazarene.—Mr. Warren.

CANADIAN WHEAT BOARD ACT

COMMISSIONS TO AGENTS IN CONNECTION WITH SALES OF WHEAT

The house resumed from Friday, May 10, consideration of the motion of Mr. Fair for the second reading of bill No. 5, to amend the Canadian Wheat Board Act, 1935.

Mr. BENTLEY: In rising to discuss this bill—

Mr. MACKENZIE: On a point of order, Mr. Speaker, I believe the Minister of Trade and Commerce (Mr. MacKinnon) was speaking when the debate was adjourned.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Last Friday evening, Mr. Speaker, I had time to make only a comment or two on the bill introduced by the hon. member for Battle River (Mr. Fair). I mentioned that I considered it would be unwise to pass this bill in its present form, and that I thought the bill should receive considerably more discussion and attention before being further dealt with. I also stated that in my opinion the bill went farther than the hon. member actually intended it should go.

I do not wish to take up much of the time of the house this evening, but I should like to review briefly the operations of the Canadian wheat board in relation to the bill now before the house.

In discussing this bill, it may perhaps be advisable if I begin by recalling the circumstances under which the Canadian Wheat Board Act was established in 1935. Canada faced an acute wheat problem in 1935 and the Canadian wheat board act was passed by the Conservative government of that year. The subsection which the hon. member for Battle River now desires to have removed from the wheat board act has been retained without change since the act first was established. In other words, this subsection has been the policy of both the Liberal and Conservative parties.

The subsection of the wheat board act of which the hon. member for Battle River is critical reads as follows:

> In selling and disposing of wheat as by this act provided, to utilize and employ without discrimination such marketing agencies, including commission merchants, brokers, elevator-men, exporters and other persons engaged in or operating facilities for the selling and handling of wheat as the board in its discretion may determine.

Instead, the hon. member for Battle River proposes that the board should:

> In selling and disposing of wheat as by this act provided, to employ such methods, consistent with the provisions of paragraph (b) of this section, as will not involve the payment, directly or indirectly, of any commission or other remuneration to commission merchants, brokers and other marketing agencies.

May I point out one or two of the basic differences between the new clause and the original provisions contained in the wheat board act. The existing section of the act authorizes the Canadian wheat board to employ the usual marketing agencies, notably the elevator companies and the grain exporting firms. The effect of the new regulation, should it be carried into force, would be to prevent any of these agencies from being employed by the board since it no longer would be possible to have any commission or any other remuneration paid to them.

It should be remembered that the Canadian wheat board has already dispensed with futures brokers under the War Measures Act by P.C. 7942 of October 12, 1943, which closed the wheat futures market.

This suggested new bill would go even further as a matter of permanent policy and do away with the services of the elevator companies and the grain exporters.

Passage of this bill would prevent the Canadian wheat board from having the power to pay any handling charge to the elevator companies, including the three western pool organizations which, I imagine, would be put out of business.

I am quite satisfied that the hon. member for Battle River, in introducing this bill, did not anticipate or did not support any such move. But, actually, the bill as before the house would mean just that.

I would like to suggest that careful consideration should be given to any measure which would have these results.

When the Canadian wheat board, as at present constituted, was being debated in this house in 1935, the importance of wheat to the prosperity of the Canadian people was stressed in all parts of the house. Perhaps I may be allowed at this point to sum up some of the main arguments used in that important debate so that we can have this material as a necessary background to our deliberations.

It was pointed out that Canada is the largest exporter of wheat in the world. In 1935 production was greater in both the United States and Russia. Russia has produced as much as one billion bushels of wheat per year. As a matter of fact, I think that figure is very

conservative. I believe Russia has produced up to 1,600 million bushels of wheat in a single year. The United States has produced many average crops in excess of 800 million bushels. Both these figures are, of course, larger than the annual yield of the Canadian wheat crop. But all the same the fact cannot be denied that Canada is the largest exporter of wheat, and we are, therefore, primarily concerned in suitable markets and the orderly sale of our wheat on the world market. I may point out that these objectives are included among the primary duties of the Canadian wheat board.

During the disturbed economic conditions which prevailed in the 1930's the marketing of Canadian wheat faced many difficult problems. Many European countries which had formerly been good customers of Canada at that time, embarked upon a policy of economic nationalism. They built tariff walls to shut out our wheat and other products, and bonused their agriculture in the vain attempt to grow self-sufficient in foodstuffs, though clear-minded students of the problem were aware that this policy could not be realized except at a heavy cost. Surpluses of wheat were accumulated in Canada during these disturbed years and it was at last clearly apparent that a new departure in policy had to be made.

May I remind the house for a moment that our experience in wheat in the 1920's had been very different from our experience in the 1930's. World conditions were much more satisfactory from Canada's view point in that period as a great exporting nation than they were in the latter period. The 1920's had witnessed the growth of the three western wheat pool organizations which were destined to play such a notable part in the wheat economy of Canada.

The pools had a clearly defined marketing policy in Canada. This policy consisted in paying their patrons an initial advance at the time of delivery and a subsequent payment when the wheat was finally marketed.

An hon. MEMBER: Not "patrons"—members.

Mr. MacKINNON: Well, call them patrons or members. I will not quarrel with the hon. member on that.

When the period in which the pools made their initial advances came to an end, the Conservative government from 1930 to 1935 embarked on a policy of buying wheat and holding it in order to support the market. No useful purpose would now be served by trying to measure the success or failure which attended this controversial policy. All of us can recall the arguments which were used on both sides during this troubled period. But, in retrospect, this judgment can surely be pronounced, in all fairness, because it is based simply on the record of those times. Despite whatever motives may have inspired the policy of the government, prices for Canadian wheat continued to remain at low levels and the government accumulated wheat stocks which were much larger than it was the normal practice for this country to carry.

The situation became so disturbed that farmer organizations pressed their demands very strongly to have the Canadian government issue a guaranteed minimum advance to wheat producers, and the Canadian wheat board was created in 1935 for this as well as other reasons.

I would like to emphasize that as constituted in 1935, the wheat board was a voluntary organization as far as producers were concerned. Growers had a choice of delivering their wheat to the board and taking the initial advance from the government or of selling their wheat outright on the open market.

On October 12, 1943, the government passed an order in council, P.C. 7942, whereby the Canadian wheat board was changed from a voluntary board to a compulsory board in so far as producers' deliveries were concerned. Consequently, so long as the futures market remains closed, the Canadian wheat board necessarily remains the sole marketing agency for Canadian wheat. The wheat policy, with respect to the fixed initial price as announced by the government on September 27, 1943, and set forth in detail in this order in council, had five main points. First, it involved the discontinuance of trading in wheat futures in the Winnipeg grain exchange. Second, the Canadian wheat board acquired, on behalf of the dominion government, all stocks of unsold cash wheat in Canada on the basis of the closing prices which prevailed on September 27, 1943. Third, the fixed initial price was raised from 90 cents per bushel to $1.25 per bushel No. 1 northern wheat, basis in store Fort William-Port Arthur or Vancouver. Fourth, it involved the closing out of the 1940-41, 1941-42, and 1942-43 wheat board crop accounts, also on the basis of closing market prices as they existed on September 27, 1943. Fifth, it involved the use of government-owned wheat to meet requirements under mutual aid and to provide wheat for subsidized domestic purchasers. It will be evident to the house that the powers vested in the board under this order in council were far-reaching. The Canadian wheat board not only took over all unsold commercial wheat in Canada, but it also became the sole marketing agency to receive wheat from producers.

It will be seen at once that the activities of the board have been greatly enlarged by this extension of its duties and responsibilities. A very great strain has been placed upon the whole organization in these war years. This strain has been particularly heavy upon its accounting staff.

I would like at this time to pay tribute to the work of the Canadian wheat board, to its commissioners and to its entire staff, with special reference to the advisory committee of the wheat board. I am in daily touch with the commissioners of the Canadian wheat board and I can testify to the abnormally heavy responsibilities which the board has been called upon to discharge, and I believe it has met these responsibilities with credit to itself and with satisfaction to the wheat producers and the people of Canada.

I am sure what I have said in this respect will receive the hearty endorsation of every hon. member who is at all familiar with the operations of the Canadian wheat board.

During the discussion in this house that followed my statement of September 19, in the last session, when I outlined the government's wheat policy in its main esentials for the next five years, I took occasion to explain that this statement of government policy made no reference to the continuation or non-continuation of the wheat board. I anticipate and the government anticipates that the Canadian wheat board will continue indefinitely.

It will not have escaped the attention of the members of this house that at different periods the Canadian wheat board, in the interests of wheat producers, has followed different policies with respect to marketing. This flexibility is one of the great assets of the system by which the Canadian wheat board conducts its extensive business. It might be a disservice to wheat producers to require the wheat board at the present time to cling to some arbitrary and inflexible method which would not take into account changing circumstances of the world market together with changing conditions of world supply.

May I emphasize that prior to the war, countries which bought wheat from Canada almost exclusively obtained their wheat supplies through private importers who dealt with the grain exporting firms in Canada. Many believe that it would have been a mistake in policy at that time to confront these importers with a Canadian government monopoly selling agency.

I would like to emphasize once again that it is by no means clear at the present time whether the governments of other countries, which are now employing government purchasing agencies, are pursuing this policy merely as an immediate aftermath of war conditions, or whether they hope to continue their monopoly import agencies. Until the policies of the import countries become more clearly defined, it may be that it would be a mistake on Canada's part to destroy the private trade in Canada. There are people who believe that a government agency can perform all the required services more cheaply than can private firms.

I know that the people who hold this view hold it very strongly, and that they are able to argue strongly in its favour. I would be the last person to deny the sincerity with which these views are maintained.

May I make it quite clear that I do not now propose to enter into a general debate on the virtues of a government agency versus a private firm. My whole argument has been directed toward the fact that this particular moment provides a very bad time in which to define our future policy with rigidity, without taking into account the buying methods to be followed in the future by importing countries, together with changing world conditions in wheat policy and wheat prices. If we have a free hand, we can then take advantage of changing circumstances and not be tied to a rigid policy which, if defined to-day, would mean that it has been defined in advance of more normal world conditions. I think that in suggesting that this house take this action and not run the risk of any premature decision on a matter of such fundamental policy, I will be urging the house to accept a policy which will commend itself to its good judgment.

Throughout the history of the Canadian wheat board the board has employed the facilities of the country elevator companies as agents for the board in taking delivery of producers' wheat. The board has also employed the grain exporting companies in making export sales of wheat under board authorization and in looking after all the details of getting the grain moved from the terminal elevators at the lake-head to eastern seaport positions for export. I would like to stress the fact that an alternative to the use of the country elevator companies and the grain exporting firms would be the expropriation or purchase of the physical facilities of these companies or the setting up of an expensive alternative service. The cost of their administration would have to be set against any savings in the commissions and handling charges that are now paid. It is, therefore, very difficult to ascertain what actual savings could be effected by this means for the benefit of producers.

I have spoken at this length in order to inform the house of some of the main purposes

which the Canadian wheat board has sought to fulfil since it was created to deal with the difficult emergency problem in 1935. The wheat board has shown its ability to cope with our wheat problems in peace as in war. It has now built up a vast and valuable body of actual experience which will serve it in good stead in the years that lie ahead. I believe that the wheat policies of the government are well conceived and will advance the best interests of Canadian wheat producers. We enter a period of reconstruction in a sound position. We are free to shape our policy so that changing conditions in the world market can be quickly met. This freedom is a great asset and it should not be lost by any premature decision now on the use of marketing agencies, such as must be involved in the bill now before the house.

The main point which I have tried to make in these remarks is that this motion does not relate exclusively to the operation of the futures market, but in reality concerns many questions affecting the welfare of Canadian farmers. These more general questions are very complicated and very important, and can most appropriately be considered by a committee which will be appointed to examine this whole matter in detail.

I move:

That this bill be not now read a second time but that the subject matter thereof be referred to the select standing committee on agriculture for consideration and report.

Mr. BRYCE: I admit that the wheat board is an efficient organization, but I should like to know if it is intended to take over rye and make as good a job of that as has been done with the rest of the grains?

Mr. MacKINNON: I appreciate the reference the hon. member has made to the wheat board and its activities. The hon. member and I have had some brief discussions about rye marketing. I have taken the trouble to go into the matter to a considerable extent and I find that it is not just as simple as possibly the hon. member and I thought it was at one time. The matter of dominion and provincial control enters into the question. I have an open mind in connection with the marketing of rye as far as any connection the Department of Trade and Commerce may have with that matter.

Mr. D. S. HARKNESS (Calgary East): Mr. Speaker, the minister has given us an interesting history of the more recent operations of the wheat board, and I find myself in general agreement with what he has said. The preamble to this bill reads:

. . . and to free the board to conduct its sale operations without engaging and paying for such unnecessary service.

[Mr. MacKinnon.]

As the minister has pointed out, rather than freeing the board I think this amendment would have the effect of completely tying the board's hands. The board would have no option as to the procedure it could follow in disposing of wheat. No matter what it might care to do in the way of engaging agents or anything else, it would be prohibited from doing so, and that is why I am against the amendment.

As I understand it, the bill is aimed at doing away with the Winnipeg grain exchange. The Winnipeg grain exchange method of selling grain has been investigated by several commissions. There was the Turgeon commission, and Sir Josiah Stamp was brought over here to investigate the matter. So far as I know, all these commissions recommended that the Winnipeg grain exchange and the method of selling grain through the exchange served a useful purpose at the time the report in each case was made. Nevertheless I do not feel qualified to vote intelligently on this bill as it stands; I feel I do not know enough about the subject to be able to give an intelligent vote. A considerable number of farmers to whom I have talked have attacked the Winnipeg grain exchange vigorously. A considerable number of others, including the most successful and prosperous farmer I know, are all in favour of having the grain exchange continued. I think my position is similar to that of a large number of other members. We do not know enough about the matter to make a good judgment upon it, and therefore I am strongly in favour of the suggestion of the minister—I had jotted down the same suggestion to make myself—that the bill be referred to a committee or some body for further study and recommendations to the house. The situation may have changed since the last reports were made, and we may receive recommendations favouring the abolition of the Winnipeg grain exchange and the sale of grain by that method. On the other hand, recommendations may be the same as we have had from other inquiries in the past.

Mr. WILLIAM IRVINE (Cariboo): Mr. Speaker, I am very much in favour of what the sponsor of this bill (Mr. Fair) intends, and that is to close the Winnipeg grain exchange, but I have some doubt whether the bill will achieve that purpose. My judgment, which is not very good in matters of law, says that the bill would not achieve that purpose, and so I am rising in the hope that when the sponsor speaks he will defend that point. I think it would assist some of us in coming to a conclusion whether or not to send this bill to a committee. Personally I believe it would

be wise to let the bill go to a committee, where it could be more thoroughly debated. If the bill would achieve the purpose he has in mind—and I should like him to deal with that point—then I certainly would vote for the bill.

Mr. J. A. ROSS (Souris): Mr. Speaker, I have followed closely the arguments that have been made in this debate. I know the sponsor of the bill very well indeed, and I should like to say that no member of the house has done more on behalf of agriculture than the hon. member for Battle River (Mr. Fair). Yet in my opinion I do not believe that the bill as drafted conveys his real intentions. As has been pointed out in the house by other speakers, in law it does not matter how good your intentions might be, and with that thought in mind I am pleased that the minister has moved that the bill be referred to the agriculture committee. I am doubly pleased because it will be the means of calling the agriculture committee of the House of Commons together. That committee has not sat in this parliament, despite that this is the second session of this parliament.

In view of other debates that we have had in this house, I should like to have seen the agriculture committee called together so that we could have before it the heads of farm implement companies and officials of the wartime prices and trade board, who, I think, should have been brought before the committee before decisions were made by the government, for instance, with regard to dropping the subsidy on milk and increasing the price of farm implements.

Mr. MACKENZIE: Any member of the committee on agriculture can convene it.

Mr. ROSS (Souris): I am glad that it is to be convened anyway.

Mr. DEPUTY SPEAKER: May I ask the hon. member to confine his remarks to the bill before the house.

Mr. ROSS (Souris): I wish to compliment the minister upon the tribute he paid to the wheat board officials. They had a great task to perform, and any grievance that I may have had with the wheat board was not concerned with its officials because I know they had to carry out government policy.

The minister has just spoken of the order in council that was passed in 1943. It is strange to recall in that connection that in March of the very same year the hon. member for Qu'Appelle and I moved a resolution similar to the order in council made six months later, asking that the wheat board handle wheat, oats and barley and have that responsibility during the war years. Despite what my colleague has said, the Turgeon commission in its findings did say that the grain exchange could not render a useful purpose during the war period. It is strange, I say, that the order in council which the government put into effect on September 28, 1943, was the very proposal which the government had voted down in March of that year when it was moved in a resolution by the hon. member for Qu'Appelle and myself.

The wheat board has, as I say, done good work. But I have one little grievance with the Minister of Trade and Commerce (Mr. MacKinnon). I asked a question last fall, in 1945, about the payment of participation certificates for the 1943 crop year, and the minister's answer then was that the payments would be made in June or July, 1946, but he could not say how much the payments would be per grade because the returns had not yet come in from the milling companies. Yesterday, I again asked a similar question of the minister, and he said he was convinced that the payments would still be made in June but that it was a matter of bookkeeping and that a great deal of statistical work was involved. While that is true, surely if the wheat board had a free hand they could announce to the producers how much the payments per grade would be when made. It is no mere idle curiosity that prompts this question, because I know a great many people in my constituency who borrow money every year to carry on their agricultural operations. They have to pay interest to the bank and meet other obligations; and to enable them to make their financial arrangements for the next few months they desire to know how much these payments will be per bushel on each grade. If that announcement could be made it would be helpful. The farmers know how many bushels they marketed and could then calculate how much they would receive in payment from the wheat board. I ask the minister to make such an announcement.

I support him in his motion to have the bill sent to the committee on agriculture. As I have said, I am in sympathy with the sponsor of the bill and I think in committee we could iron out the difficulties.

Mr. McIVOR: Mr. Speaker, the McIvor clan is noted for its honesty and efficiency, and the wheat board is headed by another son of the clan.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, the motion which has been made by the minister is probably the first announcement of the funeral of the bill. It is going to the limbo of the lost, to a committee where I expect it will die for the rest of the session. I

hope, however, that the committee will be called and that what I anticipate will not happen. I hope the bill will come back here. If the bill should die in committee, I trust that the hon. member for Battle River (Mr. Fair) will introduce a similar bill at the first opportunity.

Mr. MACKENZIE: Mr. Speaker, I must object to any hon. member construing in advance the actions of any committee of the house.

Mr. CASTLEDEN: I was merely saying that I hoped this bill would escape the fate which had befallen other bills sent to committees. If the hon. member introduces another bill I hope that it will permit the grain board to use the pools of western Canada in handling and selling all grain. If that happens, any profits which result or any excess charges which the pools make out of such operations, or commissions, will be distributed to the thousands and hundreds of thousands of farmers who form part of these pools and whose efforts produce the grain, instead of the money going into the hands of wealthy commission merchants and gamblers on the grain exchange.

I suppose this motion will pass the house. I will just say that I should like to see it pass with this amendment, that pools shall have that power and that it can be used by the wheat board; and I would express the hope that the hon. member for Battle River, if he brings in a bill to that effect, will get a great deal of support. I shall be interested to see how hon. members on the other side of the house will vote.

Mr. SENN: I want to ask the minister one question: is it intended that if this motion is carried and the bill goes to a committee, that committee will have the power to call witnesses?

Mr. MacKINNON: That is certainly my understanding.

Mr. ROBERT FAIR (Battle River): I wish to make it clear to-night, as I believe I made it definitely clear on other occasions, that I do not want to be a party to the weakening of the wheat pools of western Canada, that I am not a supporter of the grain exchange, and that I want the wheat board to operate and handle all kinds of grain, not only wheat. On April 30 and May 7, when this bill was under discussion, I began to wonder whether I was some sort of criminal in view of the way the discussion ran on the other side of the house. I wish to point out that I was in favour of a wheat board for Canada at the end of the first great war, even then realizing that the board was created to hold the price of wheat down rather than to send it up to inflated levels. I was one of those who supported the move to have the wheat board continued, and when we failed to persuade the government of the day to continue the board I was one of those who began organizing the Alberta wheat pool and helping in the best way I could similar organizations in the other provinces. I was one of the first farmers in my district to sign a wheat pool contract; I signed the first and second series; and since that time I have delivered practically 100 per cent of the grain I have grown to the wheat pool organization. I am still doing that. Perhaps that may clear up any misunderstanding which may exist at the present time as to where I stand in connection with the wheat pools and the wheat board organization. I believe the staff of the wheat board to-day is a very good one. I did not say that the other night; I did not think it was necessary because I felt that my stand was well known and did not require a Philadelphia lawyer to figure it out, as would be necessary to find out just what some other hon. members have been driving at in their speeches since the bill was introduced.

The hon. member for Provencher (Mr. Jutras) spoke in support of the wheat board, and I was very glad to hear him speak as he did, even though he ridiculed to a certain extent the stand I have taken in the framing of the wheat board amendment. Let me say that I am a farmer and proud of it, and that I did not myself try to frame that amendment; I went to a member of the legal profession to have it framed. Let me again make it clear that I have no objection whatever to any amendment of the bill which will bring about the results which I desire to have brought about, namely to put the Winnipeg grain exchange permanently out of operation. In his concluding remarks the hon. member for Provencher had this to say: *Hansard,* page 1292—I believe it places him definitely against the operation of the grain exchange:

> All of which reminds us of the story of the buyer working for a group of millers who came west to watch the wheat markets. After a few days he wired his principals to this effect:
>
> "Some think wheat will go down and some think it will go up. I think so, too. Whatever you do will be wrong. Act at once."

That describes accurately, I believe, the operations of the Winnipeg grain exchange as they affect the farmers of Canada. The little fellows who were and still are compelled to sell their grain during the first three or four months of the new crop year are the ones who suffer and pay the penalty of our keeping in operation the Winnipeg grain exchange.

Later in the debate, on May 7 we had an oration from the hon. member for Rosthern

(Mr. Tucker). He discussed this question with much more heat than light, and unless I interpret his remarks incorrectly, his speech was a conglomeration of contradictions. Here we have him getting things mixed up a little bit. First of all he had this to say: *Hansard*, page 1296:

Before dealing with the terms of the bill I should like to make it clear that as far as I am concerned I am now, and have been ever since I have been in public life, favourable to the policy of the wheat board handling wheat and coarse grains, and doing so exclusively.

A little later on he said:

I would much rather see this grain handled by the cooperative organizations which have been set up to take it from the farmer, to ship it to the east, to handle it in the terminal elevators and to ship it abroad than by any agency of government, no matter how well it is handled. Therefore I have no hesitation in saying that, whenever it is a choice between cooperation and state socialism, I will take cooperation every time.

Some people might interpret that as political. I am not suggesting whether it is or not.

A little further on he had this to say, at page 1298:

The watchword of every man representing a grain farming constituency in this house should be, in the light of the grand record of the wheat board, "Hands off the wheat board; do not interfere with them; give them a chance to carry out the work they have been doing so well in the past and, if they require it, give them even more power to deal with grain that they have no right to deal with exclusively to-day." In other words, add to their rights; do not interfere with them.

That, in my opinion, is a contradiction.

An hon. MEMBER: A straw man.

Mr. FAIR: Somebody here says, "a straw man." Well, the hon. member for Rosthern seems to be an expert at setting them up and then knocking them down.

Mr. TUCKER: Will the hon. gentleman answer a question?

Mr. FAIR: The hon. gentleman did not extend to me the courtesy of answering a question I put to him the other day.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Sit down.

Mr. TUCKER: Will the hon. gentleman permit a question?

Some hon. MEMBERS: Order.

Mr. FAIR: The hon. member would not permit me to ask him a question.

Some hon. MEMBERS: Order.

Mr. TUCKER: I permitted the hon. gentleman to ask me a question.

Mr. DEPUTY SPEAKER: Order. The hon. member for Battle River (Mr. Fair) may not be interrupted without his consent.

Mr. TUCKER: I permitted the hon. member to ask me a question.

Mr. FAIR: Mr. Speaker, the other night when the hon. gentleman was saying things he perhaps should not have said I asked for the privilege of asking a question. He refused, and I have no hesitation whatever in extending the same courtesy to the hon. member for Rosthern that he extended to me.

Mr. TUCKER: Did the hon. member know when he introduced this bill that the effect would be to prohibit the grain and wheat pools from handling grain under the direction of the wheat board? Did he not know this when he introduced the bill?

Mr. FAIR: Mr. Speaker, I am not taking any notice whatever of the hon. gentleman. He is not knocking me off my track, and he is not for any purpose whatever going to prevent me from introducing this bill year after year, so long as the people send me here, until it is adopted.

Mr. TUCKER: Why do you not answer the question?

Mr. FAIR: Here is some more that he had to say:

Among the great marketing agencies operating in western Canada are the grain marketing pools. They are the ones which are handling to a great extent the grain of western Canada. I take it from the bill presented by the hon. member that he would deprive these great cooperative marketing agencies of the right to handle the grain of the farmers for the wheat board.

In my opinion the bill deals with commissions and the grain exchange and not as suggested by the hon. member for Rosthern.

Mr. JOHNSTON: He knew it too.

Mr. FAIR: Farther on the hon. member said:

I would say that if this bill passes it will not eliminate the grain exchange at all. They can still go on dealing in futures and so on. The only thing it would do would be to prevent the various cooperative agencies, such as the wheat pool and other agencies, from handling the grain of the farmer at the behest and under the direction of the wheat board.

I have made my stand clear in this respect. If you do not pay the commission merchants or brokers on the grain exchange any wages, or salaries, or commissions, as we are doing to-day, then I think the grain exchange will fold up very soon; therefore, what I wanted to accomplish by this bill will soon be done indirectly if not directly. I am concerned with results, not methods.

The hon. member then went on to say:

If he wants to do away with the grain exchange let him bring in a bill that would do away with it. Let him be outright and straightforward . . .

I wonder whether anybody in this house has been more fair and straightforward and outright than I have been since I came here ten years ago. I was born Fair and I intend to live up to the name until the end of my days.

Mr. GIBSON (Comox-Alberni): Fair and warm.

An hon. MEMBER: Fair and cool.

Mr. FAIR: I continue:

Let him be outright and straightforward in his methods instead of striking at the great co-operative marketing agencies . . .

This is said about somebody who has actually helped to organize the great cooperative agency, somebody who has poured practically all the grain he has grown from 1923 up to the present time into the handling facilities of the Alberta wheat pool. He is now accused here by somebody for purposes best known to himself, of trying to destroy these agencies. It is about time that people who sent him here found out just what their member means by an attitude of this kind.

Mr. TUCKER: Actions speak louder than words.

Mr. FAIR: I continue:

Let him be outright and straightforward in his methods instead of striking at the great co-operative marketing agencies, which we in the west, including myself, are so proud of, and which I was one of the first to join when they started to get going.

Then farther along the hon. member said:

We are being asked to vote for a bill the purpose of which is to deprive the wheat board of the right to employ the marketing agencies which now exist throughout western Canada and other parts of Canada as well.

Mr. TUCKER: Is that not right?

Mr. FAIR: No, and the hon. member knows it too.

Mr. TUCKER: That is the effect of the bill, and the hon. member cannot deny it.

Mr. FAIR: Then, again, the hon. member said:

This government in introducing and having passed by this house the Agricultural Prices Support Act has gvien its approval to such a policy. I should like to put on the record section 9, subsection 2 of that act which was passed in 1944 and which, I take it, is still the policy of the government as enacted by this parliament.

I wish to put another section on record. Perhaps the hon. gentleman conveniently forgot about it when he quoted section 9, subsection 2. Paragraph (a) of subsection 2 of chapter 29 of the statutes of 1944 has this to say:

"Agricultural product" means any natural product of agriculture except wheat—

And I repeat that I was dealing particularly with wheat. The paragraph continues:

—designated by the governor in council, and includes processed meat, dairy and poultry products if so designated.

I return to the hon. member's address where he said:

There is a definite pronouncement of a fair deal for the farmers of this country. As far as I am concerned I hope and believe the government will never waver from its policy of a fair and just deal for the farmer.

Mr. TUCKER: Is it not a fair and just deal?

Mr. FAIR: That is exactly what I am trying to get. I am trying to put the speculators, gamblers and everything connected with them out of business, regardless of whether they hate me for it. Then the hon. member went on to say:

The farm leaders of western Canada have upheld the policy of price stabilization and loyally supported it.

The farm organizations and most individual farmers of Canada have also upheld the wheat board and have condemned the operations of the Winnipeg Grain exchange.

Rather than be accused of talking out the bill I shall take my seat.

Amendment (Mr. MacKinnon) agreed to and bill referred to the committee on agriculture.

WHEAT

PAYMENT ON 1943 PARTICIPATION CERTIFICATES

Hon. J. A. MacKINNON (Minister of Trade and Commerce): If I may be permitted, the hon. member for Souris (Mr. Ross) asked me a question on Thursday regarding the wheat participation payments on the 1943 crop. With the consent of the house I should like to give an answer. The government through the Minister of Trade and Commerce, under whose department the Canadian wheat board comes, has been urging for a long time for the amount of the payments that will be made under these participation certificates for 1943. We are advised that it is a physical impossibility for the staff to get these cheques out any earlier than they have advised us they could do it. The earliest day they tell us they can get them out is June. We are anxious to get the information the hon. gentleman asks for to the producers of Canada at the earliest possible moment.

Mr. ROSS (Souris): That is not my question; my question had to do with the amounts.

Mr. MACKENZIE: I rise to a question of order on procedure.

Mr. ROSS (Souris): The delay—

Mr. DEPUTY SPEAKER: Order. There is nothing before the house. The amendment has carried.

Mr. MACKENZIE: Revert to the ordinary business of the house, sir.

SUPPLY

The house resumed in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF AGRICULTURE

Production service—

17. Production service administration, $38,865.

Mr. CASTLEDEN: I should like to ask a few questions regarding the production of hogs in Canada. A few years ago the government introduced a policy of paying the freight on all feed from western Canada to eastern Canada, and I believe the milling companies took advantage of this. We also paid the freight charges on the brans and shorts which they obtained in the milling of the grain into flour and mill feed. At that time it was of tremendous importance to have as much production as possible. The people working on the farms in the east required some assistance, I presume, in getting feeds down where they could be used to feed hogs. Is the Canadian taxpayer going to continue to be put in the position where he shall have to pay the freight on feed from the west where it is grown to eastern Canada where it is fed, or will the grain be left in the west to be fed where it is grown? It is surely in the interest of economy to feed that grain in the west where it is grown. Does the minister intend to continue the policy that is already in force, or what are the plans with regard to it?

Mr. GARDINER: The suggestion was made that the millers took advantage of the policy to do certain things. The policy itself was drafted in such a way that the part of the wheat which enters into the feeding of live stock was provided for along with other feed grain; and whoever may be shipping the feed east from western Canada, if that feed is to be paid for as part of the policy of maintaining prices, then the bran and shorts which are fed to live stock have to be paid for just the same as oats, barley or any other grain.

The policy was based in the first place on the idea that men in eastern Canada, as far east as the maritime provinces, did not get sufficient returns from the production of hogs at prices then obtaining even to pay the cost of production. I think every hon. member from the maritimes will agree that this contention on the part of the maritime farmers was true. I do not know whether every hon. member from the west thinks as I do in regard to these matters, but I think it is just as important that the farmer in the maritime provinces, in Quebec or in Ontario should be able to get his cost of production as it is that a farmer anywhere else should do so. For a long period the farmers of the maritime provinces have not been able to produce enough hogs or beef to feed themselves. Their production does not enter directly, though it may indirectly, into the trade which results in our sending very considerable quantities of beef and pork to Britain; but on balance there is always an importation of our meat products into the maritime provinces to help feed their population. So what we are really doing, and what we were at least asked to do before the war, was to assist in covering the enormous freight charges which must be paid on feed grain going from the western prairies to eastern Canada, particularly to the maritimes.

There is another way of accomplishing the same end, and I must say it was the other way that was advocated for a long period of years; that is, controlling freight rates downward to the point where it would be possible for grain to be shipped east. The position is that we have a lower freight rate on grain going directly through to Britain than on grain going to the maritime provinces. That is a part of our freight structure which is very well understood in this house. It was always contended that we should lower the freight rate to the level imposed on grain going directly overseas. That position I think was placed once or twice before what was then called the railway board, now the board of transport commissioners, and the question was argued out as to whether the freight rates should be reduced in that way. After war broke out, however, we undertook to do it in another way, by paying the freight on the grain from Fort William east, and paying the freight on the grain from Calgary and Edmonton west to British Columbia, in order to make it possible for the prices board to maintain the price ceiling, at the same time making it possible for those on the farms to produce under the price ceiling. That is why the policy was established; and I suggest that the whole principle of controls is involved in what is

proposed here. To take the freight payments off grain, including bran and shorts, coming to eastern Canada would compel an increase in the prices of the products produced through the feeding of live stock, which in turn would involve increases in wages and everything involved in the price control set-up.

As to what we should do in western Canada, I have not figured it out exactly, but it is often said that we produce enough wheat to feed thirty million people, and we produce enough coarse grains to feed far more live stock than we can ever persuade western farmers to feed for any purposes. Unless we produce far more grain than we can ever persuade western farmers to feed, we can never get the total production of live stock in this country up to where it otherwise would be. After all, I think it is more essential that farmers, whether they live in the east or the west, should cooperate with one another than that we should talk a great deal about others not cooperating with us. If we are to expect cooperation from other sections of the population, then at least we must expect to cooperate among ourselves. I would not join in any criticism of the western farmer for growing feed grain which cannot possibly be grown in eastern Canada, in order to make it possible for eastern farmers to feed more hogs and produce more beef and dairy products. That is one way we are asked to cooperate in order to keep up production and make possible higher returns to the eastern farmers; it is not done to benefit the millers or any others, and I believe the taxpayers of Canada would agree that something should be done along this line. If we cannot persuade the farmers to do something of that kind in order to bring about cooperation and make this possible then I am afraid we are going to lose much of the cash return farmers right across Canada have been obtaining as a result of the policies that have been followed; and I would hope that representatives of rural seats in any part of Canada would not begin to advocate a policy of insisting that in the first place we grow only as much coarse grain as can be fed upon our farms, and in the second place that we should not cooperate fully in making it possible for farmers in other parts of Canada to produce to at least as good advantage as we can produce in the west.

Mr. CASTLEDEN: I do not want the minister to put into my mouth words I did not say. I asked whether it was the intention of the government to continue the policy.

Mr. GARDINER: If you had just asked me that you would have been given a different answer.

[Mr. Gardiner.]

Mr. CASTLEDEN: I was also giving some facts; and the fact is that the farmer of the west will raise more hogs if it pays him to do so. It is a further fact that the production of hogs in western Canada has gone down to a far greater extent than the production of coarse grains has gone down. To-day the farmers of the west are dropping out of hog production to a tremendous extent, but you would get a very heavy production of hogs in the west if you would make it profitable for the farmer to raise them.

Mr. ARGUE: I have not found the farmers of western Canada opposed to the government paying freight on feed coming east in order that the farmers of eastern Canada may have a chance to feed some live stock. But the farmers of the west feel that if the eastern farmer is allowed the benefit of free freight on grains to be fed to his live stock, the farmer in the west should have the freight paid on his live stock when they are sent east, in order that the price on the Moose Jaw market, for instance, will be exactly the same as the price on the Toronto market. They think that would make it fair for the eastern farmer and make it possible for the western farmer to also produce some live stock. I think the farmer who grows feed grain in western Canada, and who wishes to feed it to his own hogs, should have an additional price paid to him to take care of the difference in the cost of his feed grain, as compared with the cost of a man in western Canada who is a feeder, and who can obtain grain in western Canada at from ten cents to twenty cents a bushel cheaper than can the farmer who has to consider the cost of his grain at the same figure as the elevator price.

A resolution was passed last January by the Saskatchewan agricultural society asking that the price of hogs be increased to the farmer who feeds his own grain to his hogs, to the extent of $3 per hog. If these things were done, then I think the farmer in western Canada would have an equal opportunity to raise hogs and live stock, and get the same kind of benefit from the government's policy as to-day the eastern farmers are obtaining.

Mr. GARDINER: This question has been under discussion a number of times, and probably this is a good time to say something which may result in our thinking a little more clearly with regard to it than sometimes we appear to do.

I believe if hon. members will examine the record they will find that the western farmer does do better than the eastern farmer. This suggestion so often made that the western farmer does not do as well as the eastern

farmer is not borne out by the facts. There are more farmers in eastern Canada than there are in western Canada; but if one takes the cash income of the farmers who live in the two sections of Canada he will find that, even in some of the most difficult years we had in western Canada, our returns per farmer were higher than were the returns per farmer in eastern Canada.

They have expenses, the same as we have. I have been operating a family-sized farm in Ontario for some years. I have also been operating one in Saskatchewan. They were both family-sized farms, the one in Saskatchewan being a half-section at that time, and the one in Ontario 150 acres. I took more off the Saskatchewan farm every year than I did off the Ontario farm. I interchanged the stock between the two farms in order to prove to my own satisfaction that it was not just the breed of hogs that I had out west that gave me more money. I produced the same type of hog out there that I did on the farm down east, and made just as much per hog in western Canada throughout the war-time period as I could make in eastern Canada.

I even went through the experience of shipping a carload of grain from western Canada, under these arrangements now being discussed. That carload of grain I grew on the farm out west, shipped it to the farm down east and fed it to live stock. Perhaps I should say I saw it fed, or that sometimes I saw it fed. However, I did see some of it fed. I know, too, that the arrangements made by the government—and I know this from experience—put the farmer in the eastern part of Canada in the same position as if he had grown the grain in western Canada.

The arrangements were supposed to figure out in that way, and they actually worked out in that way, when the actual transaction is carried on of growing the grain on a farm in the west, shipping it to a farm in the east and feeding it to live stock in the east.

It is true that under our arrangement of paying the freight and giving other assistance, as we were doing at the time, one can lay grain down on the eastern farm and feed it there at just about the same cost as though he fed it back on the farm in Saskatchewan. That is what I tried to do, and that is the way it works out.

It was as a result of that that we got the production of live stock in Canada which we did get. The suggestion is made that if you pay a higher price for hogs you should produce more of them. I would ask hon. members to go around and take a look into farmers' bins in Saskatchewan. You will find that some of them are carrying wheat—and that includes some persons who have been discussing wheat to-night. But you will find, too, that right on those same farms there is not much left in the way of oats and barley. Oats and barley are still being fed to hogs.

I am quite sure the leader of the C.C.F. party would not agree with some of the things said along these lines within the past few minutes, because he was most outspoken in his opinion that we ought to be sending more food to Europe. The only kind of food Europe is asking for at the present time is grain—and grain in greater quantities, particularly wheat.

No one will suggest that at this time, as we did two years ago, we ought to be feeding 90 million bushels of our wheat each year, and that we ought to be sending 150 million or 160 million more bushels of it to the United States to be fed. That was when they wanted meat in Europe.

But to-day they want wheat in Europe. As everyone knows, it takes about five pounds of wheat to produce a pound of pork. A pound of pork will not keep a man alive any longer than a pound of wheat. The result is that we are being asked not to fed wheat to hogs. Rather, we are being asked to send that wheat to Great Britain or to Europe.

Mr. CASTLEDEN: We all agree with that.

Mr. GARDINER: If you agree with that, then agree with this, that with no wheat to feed, and with very little oats and barley to feed, you cannot have more hogs than before, no matter what the price is.

Mr. CASTLEDEN: They are feeding more in the east.

Mr. GARDINER: Some of them. But would you suggest that we should have kept our feed out of the east?

Mr. CASTLEDEN: No.

Mr. GARDINER: Well, then, the fact is that we are just feeding the same number of hogs in the east as we fed on an average before the war. In other words, we are just supplying the market we have always supplied, and we think we shall always be able to supply. We are growing feed grains in western Canada to sell them just as they are grown. If we can produce these goods to sell them, I do not think anyone out west wants to advocate a policy of feeding all coarse grains we grow in western Canada on our own farms. In the first place, we would not do it, so why advocate that policy?

Mr. TOWNLEY-SMITH: May I say a few words to demonstrate how this policy works out? I hope it will be considered straight thinking. When I grow barley on my farm in Saskatchewan and sell it to an elevator I get in the neighbourhood of fifty cents for the barley and fifteen cents for the bonus, making a total of sixty-five cents a bushel. Obviously, if I feed that barley to pigs on the farm I am feeding 65-cent barley. If, however, I have too much barley and I sell a carload of it to my farm friends in the east, they buy that barley for fifty cents a bushel, not sixty-five cents, because they have the freight paid, and because the bonus is paid to me as the grower, at the elevator, when my carload of barley is shipped.

Mr. GARDINER: They do not buy it at fifty cents.

Mr. TOWNLEY-SMITH: I am trying to feed pigs on 65-cent barley on my western farm, and I am 2,000 miles away from tidewater. My hog price on the Winnipeg market is about sixteen cents, and I enter into direct competition with my eastern friends who are right on tide-water and who are feeding their pigs on 50-cent barley.

Mr. GARDINER: No, that is not correct. The ceiling price is 64¾ cents at Fort William.

Mr. TOWNLEY-SMITH: How does it work out?

Mr. GARDINER: It is only the freight from Fort William east that is paid. But he pays 64¾ cents for barley. That is within one quarter of a cent of the figure you gave.

Mr. TOWNLEY-SMITH: Does that sixty-four cents not include freight?

Mr. GARDINER: No. No freight is paid west of Fort William; the freight is paid to Fort William; they get barley at 64¾ cents at Fort William, and then we pay the freight from there on.

Mr. TOWNLEY-SMITH: With that rate and with barley costing sixty-four cents you are still ahead of the game.

Mr. GARDINER: A quarter cent ahead of your figure.

Mr. TOWNLEY-SMITH: The market in which he sells his hogs is a 19-cent market. Someone will correct me if I am wrong, but there is at least a two-cent spread between the price of his hogs and the price of mine, and there is a significant spread between the price of his feed and the price of my feed.

Mr. WRIGHT: I agree with the hon. member who says that there should be some adjustment in the freight rates on feed which existed before the war. It was an anomaly that we should have a freight rate structure in Canada that forced the farmers of Nova Scotia and New Brunswick to pay more for western oats and barley than was paid by feeders in Sweden and Denmark. That freight rate structure certainly created a hardship for feeders in Ontario, Quebec and the maritime provinces. I cannot quite agree with the present policy of paying all the freight east of Fort William. The whole freight rate structure of Canada should be gone into thoroughly so that feeders in eastern Canada can obtain feed grown in western Canada at prices which will permit them to meet the competition of other countries which will be in the market in the very near future.

Three-quarters of Alberta, most of Manitoba and probably one-quarter of Saskatchewan have been trying to diversify their agriculture. The people in these areas felt that growing grain was not good enough. But this diversification is being killed by the present policy of the government. Statistics will show that hog production in Alberta, at least in the part of Saskatchewan that I represent, and in Manitoba has decreased in a much greater proportion than it has in Ontario, Quebec or the maritimes.

Mr. GARDINER: It went up more.

Mr. WRIGHT: We wanted it to go up more and it should have stayed up. The minister has defended that policy in this house for years and yet now he has turned around and is killing it.

Mr. GARDINER: I am still doing it on my farm and I am making money.

Mr. WRIGHT: The general consensus in western Canada is that what the minister states is incorrect. He has had letters; I have had letters and other members from western Canada have had letters to that effect. I ask the minister to consider seriously putting into effect a policy which will maintain diversification in western Canada. It is absolutely necessary that we have a stabilized agriculture in eastern Canada. At the present time the eastern farmer is in a precarious position because the feed he is using is being obtained on a subsidized market. If the government continues to follow the policy which was outlined yesterday of cutting off these subsidies just as quickly as possible, the eastern farmer will find himself in a worse position than we are in in western Canada.

Mr. GARDINER: Since we are on this item I should like to put on the record the very letter which came to me from the same individual.

Mr. WRIGHT: It is not from the same individual.

Mr. GARDINER: It is the same kind of thing in any event.

Mr. WRIGHT: It sets out what I maintain is in the minds of seventy-five per cent of the farmers in the area.

Mr. GARDINER: We will read it and see if we cannot learn something about it. This letter comes from a gentleman in Codette in the constituency of the hon. member for Melfort, and he sent it forward to me. It reads:

I am enclosing statement for hogs shipped and would you mind showing same to James Gardiner and ask him if he is shipping any from his farm and if he gets the same kind of a deal. All these hogs were pure bred and from the same sow.

Mine were all pure bred and from the same sow, as I mentioned last night.

I had been getting at least fifty per cent grade A before the price went up. I have sow and eleven young pigs about three weeks old and I have a notion to knock them all on the head and sell the sow.

That is just about what the other fellow said; they must have got together.

I am feeding them seventy cent barley—

He is getting five cents more than my friend.

—those that I am getting ready for market and if a farmer came to get barley from me he gets a rebate of fifteen or twenty cents.

Which he does not.

Why in heck don't those who feed their own barley get the same deal? No more hogs for me, to heck with them.

Fortunately he sent along his statement.

Mr. COLDWELL: How does he spell "heck"?

Mr. GARDINER: H-e-c-k. He had six hogs. There were no A's; there was one B1, and five C's, or lights. He got $26 for the B1, which shows it was not a very good one. It was really lighter than he needed to feed as a B1.

Mr. WRIGHT: It was about the weight they are asking for.

Mr. GARDINER: Not what they are asking for, or he would have got more money. He received $114 for the other five, or about $23 each. As I said last night, I sent ten down and I got my statement just about the same time as this one came in. Eight of mine were A's and B's and I averaged $29. Two of them were heavies, and I averaged $32 on those. That is the answer to his question as to whether I sent any down and whether I got the same kind of treatment. Why did I get different treatment from what he got?

An hon. MEMBER: That is the question.

Mr. GARDINER: That is the question and it is easily answered. He had six hogs and, if the statement made by the hon. member for Melfort is correct, he is not short of feed grain.

Mr. WRIGHT: It is not the same man.

Mr. GARDINER: The hon. member said that the farmers in his section of the country were not short of feed grain.

Mr. WRIGHT: That is correct.

Mr. GARDINER: This is one of them. He is not short of feed grain, but he did not feed these hogs enough grain.

Mr. WRIGHT: Because he was losing money.

Mr. GARDINER: He lost money because of the manner in which he fed them and sold them. The other man said that if he could get $32 for his hogs he could make money even at the prices which this man says barley is worth, which it is not. Barley is not worth anything like seventy cents a bushel; it is more nearly worth the amount the hon. member was speaking about a few moments ago.

Mr. WRIGHT: It is worth seventy-one cents at the elevator.

Mr. GARDINER: On his farm it is not worth seventy cents. It is worth what he would have to pay for it if he went to buy feed.

Mr. WRIGHT: It is worth what he can get for it.

Mr. GARDINER: You can take it that way to serve your purpose. I know one or two men who were feeding hogs around Melfort. They were buying their feed, and you will find that they are paying just about the price that I am indicating for barley. If the man did not have the barley he could buy it for the price I am indicating and feed the hogs. The fellow who sold the barley got fifteen cents from the government, and the purchaser got the barley at fifteen cents less than the market price. In other words, he could have bought the barley and fed it to these hogs to what they should have been fed before putting them on the market. That kind of farmer in my part of the country is called one of two things. Either he is lazy,

or he does not know how to take care of the feeding of hogs. I say that without fear of contradiction.

There are people who get out of the feeding of hogs for other reasons. I was talking to a good dairyman in this district in the last three days and he mentioned why he was getting out of feeding hogs. He said something like this: "I had thirty hogs last year and I have none this year." As a matter of fact, he had just come in off a tractor at nine o'clock in the evening and he said, "I had the choice of coming in about five and milking the cows and feeding the pigs and then going back to the tractor, or I could stay out with the tractor until nine and then come in and feed the pigs after nine o'clock." He told me that he was making money when he was feeding hogs, but he said, "I just cannot stand that long a day." In other words, you have a combination of two things: first there is a shortage of feed; next there is a shortage of labour, and farmers cannot, no matter what the price is, feed any more hogs than they have been feeding in Canada during the past year. There are two problems in front of us. One is to get more feed grown and the other is to make more labour available to farmers. If we can solve those two problems I am quite sure that we can have more hogs produced even at present prices. But I do not think you can get it in any other way. Even raising the price, and leaving the labour and feed grain situation as it is, would not get you any more hogs.

Mr. LOW: Would the minister clarify one point, because there seems to be some misapprehension about this thing in certain districts in Alberta. A feeder who obtained a feeder permit book to buy feeds last fall arranged with a producer for his supply over the winter and agreed to pay three cents premium on oats when oats were selling at about fifty cents; that was the market price. When the oats were finally delivered and the price paid to the producer, fifty-three cents, representing a premium of three cents over the market price, who should have to make application for the subsidy?

Mr. GARDINER: The only man entitled to make application for the payment of ten cents a bushel on oats and fifteen cents on barley is the man who sells it. The man who sells the barley gets that extra ten or fifteen cents a bushel because he sold it. If one farmer sells it to another, it is the man who sells that gets the subsidy, not the man that bought it. The fellow who sells his oats or sells his barley instead of feeding it to hogs, and then delivers his hogs light, gets the extra fifteen cents on barley, but he has to balance that extra fifteen cents against the lighter hogs.

Mr. LOW: In this case the producer was paid three cents over the market price.

Mr. GARDINER: Where did he get it from?

Mr. LOW: The feeder paid him directly. The grain was not sold through the elevator.

Mr. GARDINER: The farmer can sell his grain to his neighbour, and if he is prepared to pay another three cents he can.

Mr. LOW: In this particular case that I mention, is the producer entitled to make application for and to receive the subsidy of ten cents?

Mr. GARDINER: If he sold it over an elevator scale or over a scale that had been recommended to the wheat board and they had designated it as a scale on which it could be weighed and had given a certificate, even if the scale was out in the country on a man's farm, he could draw ten cents on oats and fifteen cents on barley.

Mr. SENN: Some suggestion was made a little while ago that the western hog producer would not get as much for his hogs because he is farther from the seaboard. But is it not a fact that the meat board when shipping to Britain took measures to equalize freight rates as between east and west to the seaboard.

Mr. GARDINER: There is a lower rate on through freight, whether it be hogs or anything else, intended for export, and whether going east or west. That was the old controversy that was raised every session by the hon. member for New Westminster who used to point out that grain went to China at a cheaper freight rate than the fellow paid who fed chickens on Vancouver island. Through freight for export always carries a lower rate.

Mr. SENN: But I was under the impression that some special measures were taken by the meat board to equalize the freight as between east and west on hog products.

Mr. GARDINER: When there was a shortage of meat in Toronto, meat was shipped from Calgary to Toronto and the government paid part of the freight.

Mr. ROSS (Souris): Does the producer get that difference?

Mr. GARDINER: The producer has got it if all the things which are said to be true are true; for instance, that people are paying more on the market for cattle than the ceiling price of beef permits them to pay, and they call it a black market. If a man went out

and bought cattle to be killed under those conditions he would pay higher for the cattle than if the freight was not going to be paid and the producer to that extent would get the benefit.

Mr. ROSS (Souris): The *Live Stock Review* of April 11 quotes hogs in Toronto at $19.35 and in Calgary at $17.95. That was for grade B hogs, and there is practically the same difference in prices all the way through.

Mr. GARDINER: I have forgotten the date on which the trade agreement with Britain was announced in the house, and that has something to do with the discussion now going on with regard to beef, namely, that prior to the announcement of the new agreement what they call a black market was operating in eastern Canada. I have never agreed that there was a black market operating, but those who were advocating a certain policy called it a black market. Hogs were selling at a considerably higher level on the Toronto market as compared with Winnipeg, in relation to the price we were obtaining for bacon and ham from Britain. It was said that there was a black market to the extent of one cent a pound in some areas and one and a half cents a pound on other markets. When we made the agreement with Britain, it made provision for an increase in the price of bacon representing about $2 a hog, and the fellow here who was already paying $1 per hog over the legitimate market price could only raise his price by $1 a hog, whereas back on the other market they went up $2, and we immediately had a controversy about that. The Winnipeg market was never out of line with the ceiling prices on pork. The Toronto market was; the Montreal market was; the market in Nova Scotia was; and the day after the change was made I got letters from all these areas to this effect, "You said hogs were going up $2; they did not go up $2"; and you will find that the markets at a certain date in the east levelled out with the other and there was not the margin which existed for a few days.

Mr. ROSS (Souris): Is the Ontario feeder who buys grain at Fort William allowed the freight down to his feeding point from Fort William?

Mr. GARDINER: Yes.

Mr. ROSS (Souris): Following that up, I have given the figure at Toronto, $19.35. The Calgary producer gets $17.95. That relates to the case of the barley which you have been discussing. I have just got some returns in this morning's mail from barley sold this week from my farm: 71½ cents at Melita. The minister said it was 64½ cents at Fort William, so that there is a difference of seven cents a bushel for barley which the Ontario feeder has; he gets his feed seven cents a bushel cheaped than we do on the prairies. Added to that you have the expense of the man-power and all that is involved in transportation east. The minister spoke a while ago about the efficient feeder. I do not care how efficient your feeder is, it will take at least five pounds of grain to make a pound of pork. Therefore the thing does not, to my mind, make sound economics. You can produce meat much cheaper on the same farm where you grow your feed. I am not advocating that there should not be some basis set up to transoprt feed to Ontario, but as a matter of sound economics I repeat it is cheaper to feed beef or pork on the same farm on which the grain is produced. I might put some letters on *Hansard,* like the minister and the hon. member for Melfort, but I do not suppose that parliamentary procedure would allow me to insert in *Hansard* some of the terms used in some of these letters. A man who is a very good live stock producer in my constituency wrote me a lengthy letter on this subject the other day, and I am bound to say that he finds more fault with the Minister of Finance than with the Minister of Agriculture. He gives the quantity of cattle and hogs that he produced year by year throughout the war, and the number of cows that he and his family have milked; but then he says, "We have quit milking the cows; we have quit producing the hogs, and if there is not a radical change in income tax deductions and all of the books we have to keep and the records we have to produce to the inspectors I am going to quit entirely producing live stock on my farm under this set-up."

An hon. MEMBER: Is that all he said?

Mr. ROSS (Souris): No; I said that parliamentary procedure would not allow me, because of the terms he uses, to put the letter on *Hansard.* He was terribly vexed about this matter. That is only one of several letters which I have received and which indicate that our policy is just a bit out of line. By 1944 Alberta had increased from a very small hog producing area to the largest in Canada. Great strides were made in that province, as were indicated by the figures which I put on *Hansard* for all the provinces of Canada. But they showed a great decrease in Alberta in 1445, and this year there is a much greater decrease. In Manitoba, to speak particularly of my own constituency, one may go for many miles and, I am sorry to say, on many of these farms you will not find one brood sow alive where farmers were producing from one

to two hundred pigs during the war. I think we should endeavour in some way to correct that.

Mr. GARDINER: I think we should get the correct figures on the record and not reason from something which is not official.

Mr. ROSS (Souris): What figures is the minister referring to?

Mr. GARDINER: Hog prices in different places. Here are the weekly hog prices for the week ended May 9: Toronto, $19.60; Montreal, $19.85; Winnipeg, $18.35; Calgary, $18.20; Edmonton, $17.85. The difference between Toronto and Calgary is $1.25. That is for slaughtered hogs. For live hogs that is just about the freight between these points; and that is what it usually is, unless there is some special circumstances for the day which you happen to be quoting. The difference between hogs in Toronto and hogs in Winnipeg is usually the freight, and the difference between hogs in Calgary and hogs in Toronto is the freight on live hogs. Hogs are put alive into cars in Calgary, shipped to Toronto and slaughtered there, and live weight is paid from Winnipeg to Toronto; I think it is around seventy-five cents or eighty-five cents in Toronto.

Mr. HARKNESS: That is what we have been saying, that the farmer has the freight differential against him.

Mr. ROSS (Souris): I am quoting from the *Live Stock Market Review* of April 11, 1946, issued by the minister's own department. The figures I gave were, for B hogs, $19.35 in Toronto and $17.95 in Calgary; for A hogs, $19.75 in Toronto and $18 at Calgary. I point out that those are figures in a pamphlet put out by the minister's own department.

Mr. GARDINER: For what week?

Mr. ROSS (Souris): April 11. That is what I happen to have before me.

Mr. GARDINER: For April 11 the figures are: Toronto, $19.35, Montreal, $19.25; Winnipeg, $18.35; Calgary, $18.15; Edmonton, $17.85. The figures on a particular day might vary from that, but that is the average for the week. A suggestion was made a moment ago by the hon. member for Calgary East, who said in a speech which he delivered this evening that he did not know much about wheat—and I shall have to assume that he does not know much more about hogs—that the only thing you need to consider when you look at the differential between western hogs and Ontario hogs is the freight. Anyone who has fed hogs in both eastern and western Canada is, I think, acquainted with this fact, that when you grow grain on an eastern farm which has been farmed much longer than western farms, and which did not have the same ingredients in the soil when they started to farm, and feed grain from an eastern farm to-day, you must have all these supplements which are provided and which come at high cost; those must be fed if you are to produce your hogs in six months. On western farms one scarcely ever thinks of feeding supplements.

Mr. WRIGHT: Oh, oh.

Mr. GARDINER: Well, if you do you are wasting your time and money, because there are a great many people who are finishing hogs in six months without any supplements at all. It can be done. It is done right along. More than that; any farmer in eastern Canada who feeds grain will tell you, "Give me a carload of western Canadian grain and I can do much better with it than I can with any other grains." That is only because it is better quality grain, and feeds the hogs to better advantage; and the western farmer has other differentials besides the differential in freight. As a matter of fact, I am proud of the section of Canada that I live in; rather than knock it all the time, and say the farmers are all broke, and everybody is having a hard time, and everywhere else in the wrold they are having a good time, I would say that I do not know any place in the world where they are having a better time than in western Canada; and that is where I would rather live.

Mr. WRIGHT: The Minister of Agriculture certainly demonstrated in the statement which he made just now that he has not fed hogs on his own farm in western Canada recently.

Mr. GARDINER: I am feeding seventy-five right now.

Mr. WRIGHT: I will guarantee that if you are going to market them in six months' time and if you have not got milk, you are feeding supplements.

Mr. GARDINER: I am feeding mine the supplement which you call peas, and that is a pretty good protein.

Mr. WRIGHT: It is protein.

Mr. GARDINER: They cannot grow peas in eastern Canada any more.

Mr. WRIGHT: It is as good as any feed in any part of Canada; I do not care whether they are feeding western or eastern grain—

Mr. GARDINER: We may as well finish it right now because this question comes up so often. Every eastern farmer knows that thirty, forty and fifty years ago he was growing and feeding peas on his farm, and every eastern farmer knows that he cannot grow peas to-day. The weevil has put an end to that. We are growing peas in western Canada and feeding them to hogs. We do not have the weevil yet, but we may have him some day. In the days when the eastern farmer had peas to feed he did not have to buy a supplement to the extent that he has to-day. We have them and we are feeding them. They are grown in considerable quantities up in the area which the hon. member for Melfort represents.

Mr. QUELCH: I should like to say a word in reference to the part of the country which I represent. The fall in the production of hogs has been caused not so much by the shortage of grain or even the price, but rather by the difficulty in getting labour. Most of the farmers have been carrying on the work themselves. They found it almost impossible to carry on a full day's work in the field and then at night do the chores, milk the cows and so on. In the days when they had a hired man they could do that, but they have found now that when they are able to get labour they have to pay $100 a month. If they had to pay $100 a month the year round there was not very much profit left for them, and therefore they thought it was better to cut down on their hogs and sell the grain. As I have said, the reason for the drop in production was not the shortage of grain. In my part of the country the chief grain grown is wheat. To feed hogs they sell the wheat and buy coarse grains and get the bonus. We found it was more profitable to do that than to try to grow the coarse grains. We did not have any difficulty this fall in shipping in whatever barley we wanted.

There is one point I should like to bring to the minister's attention. It seems to me that we place the veteran under a handicap in regard to the question of feed grain. I ran into quite a few complaints last winter of veterans coming back, taking up land and desiring to raise hogs. When they made application for a feeder permit they could not get it if the former owner or operator of the farm had sold any oats or barley. They were refused that feeder permit on the ground that the man who owned or operated that farm had already sold oats and barley from it. I cannot see why veterans returning to this country should be penalized in that way. I suggest that, if possible, in the future the veterans should be allowed the bonus on the coarse grains in spite of the fact that the former owner may have sold coarse grains.

Mr. BURTON: Sitting here listening to this discussion, I could not help wondering why there were so many farmers who are always wrong and the Minister of Agriculture always right when he speaks. When I think of the farmers whom I know and have met during the past year and heard their complaints I am satisfied that they know as much about feeding hogs and have done more of the actual feeding than the Minister of Agriculture has ever done for a good many years. I cannot imagine that these men are always wrong. There is something wrong. What the minister has said here this evening gives us a partial indication of what is wrong. When he sets out on a course of action he follows it through thick or thin. That may be a good quality for a person to have, but I suggest to the minister for the sake of agriculture in this country, for the sake of those men whose cause he professes to have at heart, that there are times when he must admit that he is sometimes in the wrong. That is what the hon. member for Rosetown-Biggar did so nobly yesterday.

So far as I am concerned, and I believe I speak for all the members of this group, I do not want anyone in this chamber to get the impression that we are opposed to the farmers of Ontario receiving assistance in the way of feed grain coming to this province. I do not want to be insulting to the Ontario farmers, but I would not want to feed hogs or cattle in Ontario; I would rather do it in Saskatchewan. If we can be of any assistance in the matter of co-operation we must try to give it. It is absolutely unfair to these family farms, where the majority of the live stock is produced in the west, to penalize the man who is feeding his own feed. That is one of our big troubles; that is one of the things that has caused a lot of the farmers to question the desirability of feeding hogs and cattle instead of putting the grain in elevators.

What was mentioned earlier this evening, and what has been mentioned many times previously, was the policy of this government. Whether the minister is responsible or not, he must accept a share of the responsibility. I refer to the policy of this government in so far as income tax is concerned. They do not and will not give the farmer's family credit for producing that live stock on the farms.

Mr. HARKNESS: It seems to me that we have tied ourselves up into this horrible endless argument which always arises when one talks about subsidies, to whom they should be

paid, what for, how much and so forth. The argument can go on for days. One of my hon. friends to the left, I think it was the hon. member for Wood Mountain, advocated a few moments ago that we should pay a subsidy which would offset all the effects of geography and make the price to the western hog producer the same as to the eastern. I think the whole thing comes down to the basic question, so long as you have these subsidies you are going to have all this terrific argument about it.

Apart altogether from the subsidies, there is one factor that stands out in spite of all that the Minister of Agriculture has had to say on the matter of there not being enough coarse grains to feed the number of hogs we had a couple of years ago, and therefore we had to cut down the numbers and so on. One thing remains in spite of the subsidies and the quality of grain in eastern Canada as compared with the west—and by the way I could not see the point of introducing it into the argument —namely, that so far as Alberta at any rate is concerned, the number of hogs produced has declined considerably, and it has declined chiefly, almost entirely, because it pays the farmer better to sell his coarse grain than to feed it to hogs. If this government thinks that is a good policy, that it is better to ship the coarse grain to Ontario and have them feed it here rather than have it fed on the farm in Alberta, that is all right. As an Albertan I would be very happy to have them adopt that policy. I hope they adopt it and I hope they broadcast it. Certainly so far as Alberta is concerned we think that it is an advantage to us, we think it is an advantage to Canada as a whole, that as much of the grain as possible should be fed right on the farm where it is produced. You get away from all these extra shipping charges, handling charges and everything else in connection with it. No matter what the minister may say in connection with the shortage of coarse grains, as far as Alberta is concerned we produce far more than we can feed; and the only reason we have quit producing hogs to the extent we have is that, as I have said, it pays better to sell the coarse grains, which I think is bad agriculture and bad political economy.

Mr. COLDWELL: I know the minister is to head the Canadian delegation to the food and agriculture conference soon, and I am glad that is so. I am also pleased we are sending the strong delegation that was announced this afternoon; I thought those who are going were able people, and I believe the minister will be surrounded by a competent group of advisers. I want to say, however, that I think the minister must consider—and I imagine he will be able to give us some indication of this when he comes back—what is to be the policy of Canada in regard to food production for the next year or two. I am inclined to agree with the minister that we must ship more food to Europe, India and other places, because the famine which is so apparent in those regions will not be ended this year but, I think, will continue for a time. I believe most people agree that a year from now the problem may be even more acute than it is at the present time, so that when the minister comes back after having discussed the entire world situation with the food and agriculture organization I hope he will be able to give the house an indication of what should be the policy of the Canadian farmer, whether he should concentrate on the raising of grain or on the raising of live stock, or just what will be required of this country for the next year or two. Then our farmers will know better what to do, and if that can be done I think it will be of great benefit.

There has been a great deal of discussion this evening about the raising of hogs. It is perfectly true that in the constituencies many of us represent in western Canada there has been a tremendous diminution in the number of hogs raised. That I think is known. While it may have been regrettable some time ago, it may work out better than we anticipated because, as the minister has said and as, I believe, we all recognize, at the moment what is important is the amount of food we can get to the people who need it rather than the kind of food we can send them, and cereals will feed more people more economically than meat. If our farmers can get the advice that is required they can lay their plans for the next year or two accordingly.

Of course the question of price enters into the matter. We have been talking about stabilized prices. I have always been strong for at least an attempt to be made to achieve something we have called parity. I quite agree that this has been difficult to define. I have my own definition of parity, which is that prices should bear some relation to each other; that a farmer's selling prices should bear proper relation to the prices of the things he has to buy. I know there are different views in regard to what parity should be; but if we can get leadership from the government of Canada indicating what the policy of the farmers should be, perhaps one policy for the west, another policy for eastern Canada, another for the maritimes and another for British Columbia, if necessary, then I think the minister's visit to this conference will have been well worth while.

Perhaps because of the letters I get from my own relatives and friends across the seas I feel the impact of the food shortage keenly, but it appears to me that the situation is simply desperate. To-night when I heard over the radio that the Right Hon. Herbert Morrison had agreed in Washington to send a further supply of food from the meagre reserves of Great Britain I felt that with the danger to shipping which may arise from the coal strike in the United States, they are treading on very thin ice, if I may mix my metaphors, and that the people across the seas are making a greater contribution than we should expect at the present time. I say I feel this keenly myself, and I believe a number of other people feel the same way. I get letters from people in Canada saying, "Why can't we be guided as to how we may help a little more?" I was glad to see that the other evening in a broadcast address the Minister of Justice suggested that we should each do without one slice of bread a day. Well, that would be a help; but, after all, it seems to me that if the people of Canada were apprised of the needs of the world they would support more rationing, as a matter of fact, and would be glad to do what they could.

What I am asking the minister, however, is to consider placing before the house, before the end of this session, some policy that will guide and at the same time assure the producers—as he has done to some extent in connection with grain—that for the next one or two or three years they will have prices for their products which will give them reasonable and proper returns. Given that assurance, then we can expect this country to do even better than it has done in the relief of the near and, indeed, in some respects the actual starvation that is being faced in so many parts of the world.

Mr. CARDIFF: I have listened with a great deal of interest to the arguments put forward to-night by the minister and by western farmers. I could not but agree with many points in the minister's argument as to the difference between the east and the west. We in eastern Canada could not begin to produce hogs but for the fact that the freight is paid on the grain coming here. Eastern Canada, or I should say Ontario, because I do not know anything about the maritimes, is geared to produce hogs if we can get the feed with which to do so at a price which will permit us to make a reasonable profit. The west is geared to produce grain. Any western farmer to whom I have spoken, including those who come to visit us, will walk around our farm, for instance, and say, "I would not farm here for the world, because you have too much work to do." I think we are just as intelligent as the farmers of the west; but, after all, when your home is in a certain place and you are earning a livelihood there you have to make the best of it. We are used to working for twelve months in the year but the western farmer does not want to do that. He wants to make a living by working for six months a year and resting the other six months.

Mr. ROSS (Souris): There are some exceptions.

Mr. CARDIFF: The exceptions are very few. The average western farmer does not want to work for twelve months a year; he wants to make his living in six months. The Ontario farmer must work for twelve months a year and every day of every month in order to make a livelihood. If the Minister of Agriculture makes it possible for us to get grain, and fixes the price of hogs at a reasonable level so that we can make a profit, we will produce more hogs in Ontario than were ever produced before. But it must be at a profit; we cannot afford to lose money. We have to make our livelihood at it. Ontario produces more hogs and beef than any other province I know of, and it will continue to do so, as long as we can get the assistance we require to do the work and to make a living. Our backs are strong—and no doubt our minds are just a little weak in that respect. But we will do the job, if we can get the material.

Mr. BLACKMORE: I trust nothing further will be said which will tend to cause any unhappiness between the east and the west. I believe the rank and file of people in the west are happy about the arrangement to allow eastern farmers to feed grains from the west so that they may produce live stock. I think it is important that we keep at least that much unhappiness out of our situation in Canada.

Just a word with regard to hog production. I am not prepared to pronounce on the cause, but I will say that the condition in my constituency is almost identical with that described by the hon. member for Souris. Whereas two or three years ago there were numbers of hogs on farms all along the road, it is an exception to-day to see a hog.

Mr. GARDINER: There is no argument about that. The numbers are down—away down.

Mr. BLACKMORE: Yes. I find considerable disagreement as to the cause, and I am not going to enter into a discussion of that matter.

Rather I should like to speak about another matter which vitally concerns cattle producers

in the west. Certainly it concerns those in my constituency. I refer to Bangs disease or contagious abortion. Would the minister give us a statement on the policy of his department concerning contagious abortion as it applies in Alberta?

Mr. GARDINER: I wonder if we might carry item 17, and then proceed to a discussion of item 18.

Mr. BLACKMORE: I thought we had completed item 17.

Mr. STEPHENSON: The minister said a minute ago that one of the great troubles to-day was a shortage of labour on the farms. I believe that is true in my constituency, because farmers are complaining that they cannot get help. The minister said that hog production had dropped off because farmers could not get help on the farms. Is the government doing anything to make farm labour available in order that farmers may continue the production of hogs, and other agricultural food shortages? Surely that is one of the most pressing questions in agriculture to-day.

Mr. GARDINER: I do not wish to enter into a detailed discussion of that subject, because it will be discussed when the estimates of the Minister of Labour are before the committee. However, I think it will be found, when those estimates are considered, that everything we can conceive of is being done. There may be some other things hon. members could suggest when the items are being discussed, but I know we are attempting in every possible way to get labourers for farmers.

Mr. BLACKMORE: After what I said a minute ago, it is only fair to say that the falling off of hog production in my constituency is not due to a shortage of labour. The same men are there who were producing hogs in abundance only two or three years ago. They are equipped and ready to produce them again. But for some reason or another they have made up their minds that it does not pay to produce hogs—and I fancy they are the best judge of that. Whether they have failed to discover some technique the Minister of Agriculture has discovered, I cannot say. But I do not think we should lay too much stress upon the shortage of labour. While I admit that there is a shortage of labour, yet nearly every farmer in my constituency realizes that there are times during the year when he could take a number of hogs through. But he is not taking those hogs through, although two or three years ago he did.

Item agreed to.

[Mr. Blackmore.]

Health of animals—

18. Administration of Animal Contagious Diseases Act and Meat and Canned Foods Act, $2,103,508.

Mr. GLADSTONE: Ontario is a typical mixed farming province, and in that province agriculture is an all-year-round operation. The picture on any farm in Ontario is one of costly buildings for the winter housing of all live stock.

Summer operations during the working season on a 100-acre farm would consist, probably, of a ten-acre field of wheat, a ten-acre field of oats or barley, a few acres of ensilage corn, perhaps two acres of roots of some kind, perhaps mangolds. In addition to the normal farm housing, the farmer must have a silo.

There is much work throughout the season taking care of the ensilage corn. There is the operation of cutting it, shredding it, and placing it in the silo, and a great amount of work throughout the winter in the feeding of it.

Then there is the use of wheat straw and oat straw in the bedding down of cattle, whether they be in open sheds or in stables. Taking it all in all, the Ontario farm offers an all-year-round occupation. That is what the farmer in Ontario expects to do. As a result of feeding operations, fertilizer is provided to go back on the land. This is an extremely necessary operation, and the only way in which the productivity of the farm can be maintained.

I have made this brief statement in order that hon. members may have a better understanding of the situation on a typical Ontario farm. It is quite different from that in western Canada where, in common practice, there is no labour in connection with keeping up the fertility of the soil. The land in the west is highly productive in its natural form.

I emphasize these factors as elements requiring the application of a great amount of labour, and involving a high cost of production. On these grounds it is only reasonable that the Ontario farmer should be given some little consideration by way of special rates on the additional quantities of grain he requires to finish his stock, and carry it through the winter.

Mr. GARDINER: I should like to answer the question asked by the hon. member for Lethbridge.

Mr. BLACKMORE: Before answering, would the minister permit me to ask further questions, so that he may answer them at one time? When a stockman finds disease in his herd, what serum is available to him? What serum is available for treating cattle? Whom should he go to in order to get the

serum? Under what conditions could he obtain the serum? Is there any limit to the number of cattle for which he can get serum? Where does the serum come from; what factory, laboratory or other source? What assistance does the provincial government give the stockman? What assistance is the federal government giving and prepared to give the stockman? Do the federal and Alberta provincial governments cooperate in aiding the stockman in, first, cleaning up his herd and, second, keeping his herd clean? What responsibilities must the stockman assume, first, to get the serum, second, to get provincial assistance, third, to get federal assistance and, fourth, to have continued assistance over a period of years?

If the minister would make a statement on the subject of Bang's disease and answer these questions, as well as adding any other information he may care to add which he thinks will enable the stockman in my constituency to know just what to do in clearing up this disease, he will confer a great benefit on the people of southern Alberta.

Mr. GARDINER: When herds are placed under the government's Bang's disease policy the owners must employ veterinary practitioners to collect blood specimens. The first thing they must do is to employ a veterinarian to go out and take blood samples from the animals that may be afflicted with the disease. The blood tests are conducted free of charge at federal laboratories, of which there is one located at Lethbridge. When a herd passes three tests over a period of a year the department collects blood and conducts check tests. If it is negative the herd is listed for one year. That is, if they show that there is no disease for one year they are given certificates.

Licences for the manufacture of brucella abortus vaccine strain 19 are issued to approved Canadian laboratories. Hon. members will probably remember this as calfhood vaccine rather than under the official name. Import permits are issued to Canadian agents of responsible United States manufacturers and permits to purchase and use vaccine are issued to registered veterinarians.

Adult cattle must not be vaccinated. They would probably remain positive to the agglutination test; consequently their export would be prohibited and they could not enter any clean herd. The use of vaccine during the calf age is supposed to prevent the disease later on, but the vaccine is not to be used on adult animals. When it is injected it causes the animal to be positive under test, and it would not be permitted to enter the United States nor would any person purchase the animal for breeding purposes.

In the carrying out of export tests the blood is collected by veterinary inspectors and accredited veterinarians only. These tests are conducted at federal laboratories and co-operating laboratories. The co-operating laboratories are as follows:

Dr. Cunningham's laboratory, Summerside, P.E.I.
Provincial laboratory, Charlottetown, P.E.I.
Agricultural college, Truro, N.S.
Department of Agriculture, Fredericton, N.B.
Oka veterinary laboratory, Oka, Quebec.
Macdonald college laboratory, Ste. Anne de Bellevue, Quebec.
Provincial laboratory, Quebec, Quebec.
Ontario veterinary college, Guelph, Ontario.
Queen's university, Kingston, Ontario.
Manitoba agricultural college, Winnipeg, Manitoba.
Saskatchewan university, Saskatoon, Saskatchewan.
Alberta university, Edmonton, Alberta.

The department pays the co-operating laboratories ten cents per sample tested.

Mr. BLACKMORE: That is, the Department of Agriculture at Ottawa pays that?

Mr. GARDINER: Yes, and I understand that some of the provinces distribute the vaccine free of charge. I believe Alberta does this. In any event, whether it is free or not, it is always available through druggists; veterinarians can purchase it and use it for this purpose.

Mr. BLACKMORE: It must be purchased by a veterinarian?

Mr. GARDINER: Yes; it can be used properly only by a veterinarian.

Mr. BLACKMORE: He can purchase it any time he wishes?

Mr. GARDINER: I understand there is a supply on hand all the time. It is manufactured in the United States and it is made also at the laboratory at Guelph. We also make it in the laboratory over in Hull but not in sufficient quantities to be sent out.

Under the Bang's disease policy the owners pay their own veterinarian to take blood specimens. Sterile bottles and laboratory service are provided by the department. Veterinary inspectors collect blood samples for check tests for listing and, after listing, all subsequent retests and tests and retests of additions. Listed herds must contain ten or more animals. In the case of export tests, exporters may employ accredited veterinarians at their own expense when salaried veterinary inspectors cannot give prompt service because of other departmental

duties. When a veterinary inspector is on premises conducting tuberculin tests of additions to herds under any of the tuberculosis policies, he may take blood samples if the herd is also under the Bang's disease policy. When negative on first tests there shall be a retest in ninety days and then annually. When reactors are found there shall be retests at six-week intervals until negative. After a negative test is found there shall be two retests at ninety-day intervals. If still negative, there shall be a retest in six months and, if negative then, yearly. When there are questionable tests, retests shall be at six-week intervals.

I think that pretty well covers the questions which have been asked. This information can be had in printed form from the department at any time, and I think the best thing for anyone who is interested to do would be to write in and get this information.

Mr. BLACKMORE: What is the name of the veterinarian at Lethbridge?

Mr. GARDINER: Doctor Duffy is at the Lethbridge laboratory and Doctor Allan is at Cardston.

Mr. BRYCE: Is it the intention of the government to pursue the same policy regarding tuberculosis free areas as was pursued prior to the war, or are they going to pursue a more vigorous policy?

Mr. GARDINER: It will be the same as before the war, and we hope to get off to at least the same vigorous policy we were following prior to the war. We have not been able to get the men to do the work, although I have in my pocket a letter from an hon. member who says he has a veterinarian they are not using.

Mr. BRYCE: Will the conditions be the same as before?

Mr. GARDINER: Exactly the same.

Mr. NICHOLSON: I was going to pursue the matter of personnel for that sort of programme. I am glad to notice that there has been some improvement in the salaries being paid. Since coming here in 1940, I recall hearing that there were two or three veterinarians who were receiving less than $2,000 a year. Is any veteriniarian receiving less than $2,000 at the present time?

Mr. GARDINER: I understand not.

Mr. NICHOLSON: What guarantee has the purchaser of canned goods that he will get the same quality of goods according to the grade marked on the can in Ontario as he would in British Columbia? What supervision is there with regard to quality?

[Mr. Gardiner.]

Mr. GARDINER: Can we leave that until we reach the marketing item?

Mr. TOWNLEY-SMITH: The other day, under the heading of "animal pathologists", I drew the attention of the minister to the fact that we are very short of veterinary surgeons, and he suggested that the subject be left over until we reached this item. I would repeat my question now. Will the minister not consider giving more encouragement to students in universities to take up veterinary science by way of offering scholarships and offering veterinary students work after they have graduated?

Mr. GARDINER: We have been giving consideration to this question but no policy has yet been worked out.

Mr. MacNAUGHT: I am in emphatic agreement with what the hon. member for North Battleford has said, and in that connection may I read a paragraph from *Maclean's Magazine* from its "Cross Country" section. It says:

> Prince Edward Island's 100,000 head of cattle have to share one doctor. So the province is scouting all Canada, to induce veterinarians to settle there. Premier J. Walter Jones, himself a farmer, estimated there is room for at least 10 veterinarians on the island.
>
> The situation was forcibly brought to official notice when the milk and meat inspector of the city of Charlottetown died this spring. No veterinarian could be found to take his place. The situation might have been serious had not the provincial veterinarian, whose office and laboratory are in Charlottetown, offered to take the work.

I believe that statement to be essentially correct and, if it is, a serious situation exists. I would urge upon the minister to do everything in his power to alleviate that situation by following the suggestions made by the hon. member for North Battleford to accelerate courses and offer scholarships and inducements to students of veterinary science.

Mr. NICHOLSON: What are the annual requirements of the department through the retirement or death of veterinarians?

Mr. GARDINER: The normal wastage is between twenty-five and thirty a year, and we are not getting that number at present.

Mr. NICHOLSON: I wish to support what other hon. members have urged in this matter. The total number of graduate veterinarians from our colleges last year was at its lowest point, between twenty and twenty-five. It is important that the federal government in cooperation with the provincial government should face up to this problem. The Saskatchewan department of agriculture is offering a few scholarships. Since this is a matter in

which the federal government are also directly interested, I think they should go along with the provincial government and match its payments dollar for dollar to see that this gap between the demand and supply is bridged.

Mr. BLAIR: At the last session of the house I drew the attention of the committee to the widespread prevalence of Bang's disease across Canada and to the fact that many people were becoming affected with undulant fever. The minister said at that time that when the estimates came up this year he would try to do something about the matter.

I again point out that the medical profession have still no cure for undulant fever. We have nothing whatever that will cure it. There is still no cure for Bang's disease, but we have prevention for Bang's disease, and that is calfhood vaccination. There is a list of casualties from undulant fever every year throughout this country, and the only means we have of controlling undulant fever is by calfhood vaccination. Our farmers are experiencing a great many losses of cattle through Bang's disease, and undulant fever is causing many casualties among human beings. The only measure of relief we have, and the only way of controlling undulant fever is by calfhood vaccination. There is no doubt that calfhood vaccination is really an effective remedy, but the trouble in Canada is that there is no unified effort because the regulations vary in each province. I will list the conditions in each province so far as Bang's disease is concerned.

In Ontario the work of controlling the disease has been placed directly under the Ontario agricultural college. An extensive programme of calf vaccination is under way, with strain 19, in an attempt to eradicate the disease from the province.

In Manitoba some funds are provided for vaccination of calves in pure bred herds by qualified veterinarians.

In Saskatchewan there is calfhood vaccination, with Cotton's strain 19, for herds supplying milk to villages and towns without protection by pasteurization.

Alberta has also had calfhood vaccination since 1944, following a request from the western stock growers' association.

British Columbia has no special legislation.

In Quebec Bang's disease is controlled by the live stock sanitary law, and there are 5,000 listed herds, with 551 herds badly contaminated. For a small fee owners of herds can have their herds tested under an agreement. The vaccination plan is used for contaminated herds.

Nova Scotia has no protective legislation. Many herd owners are doing their own vaccination.

Prince Edward Island has no legislation.

In New Brunswick there are restricted control areas, but there is a shortage of qualified veterinaries and inspectors to carry out the programme.

In regard to the efficacy of Cotton's strain 19 vaccine, I quote from the report of Doctor Welsh, director of the animal research division of Lederle Laboratories, Pearl River, New York, which is one of the largest laboratories in the United States. This article appeared in the *Holstein-Friesian Journal* of February of this year:

> The recent report by Winter of New York state confirms the findings of others in that some vaccinated animals continue to show a positive blood reaction for many months after being vaccinated.

This should not be taken as a reason why calfhood vaccination should not be carried on, as he shows later. I continue the quotation:

> His findings and others indicate that, on the average, calves vaccinated at the age of six months, give the best results. Calves vaccinated at four months of age or under usually do not establish a very high degree of resistance. Calves vaccinated at eight months or above retain their positive blood reaction for a prolonged time. The New York records, reported by Winter, on calfhood vaccination was in herds having 15 to 47 per cent infection. Of the animals vaccinated at six months of age, about 60 per cent were negative on blood tests six months later. At the twelfth month following vaccination, or when the animals were about eighteen months of age, at least 80 per cent of those vaccinated were negative and in some herds as many os 90 per cent were negative. When these animals reached breeding age, they were bred, regardless of whether they showed a vaccination titer or were negative. Approximately 3½ per cent of these animals vaccinated as calves were showing a positive blood reaction at two years of age but they found that the reaction receded during the first lactation period and that less than one per cent still remained positive at the time of the second freshening.

That would indicate that calfhood vaccination is effective. We should use any means at hand to control this disease.

As a physician I am concerned about undulant fever, and I as especially concerned over the apathy and listlessness with which this subject is approached by the department. This is the only cure we have. Something must be done. Therefore I say that calfhood vaccination should be compulsory on the strength of the records of the herds using it and on the strength of the records of the states where calfhood vaccination has been in vogue for some time. I think we can accept these records and particularly the record of the Ontario agricultural college, where Ontario is undertaking a mass programme. But if the different provinces have no set regulation, and it is done in a haphazard way in one province, contamination will be car-

ried from one province to the other by animals shipped from one province to the other. So that the whole affair, to be effective, must be dominion-wide, and I suggest to the minister, and repeat, that I am much concerned about the undulant fever, let alone the tremendous loss to the live stock owner, and feel that we must do something about the matter and make calfhood vaccination compulsory.

Mr. BLACKMORE: I greatly appreciate the contribution which the hon. member who has just taken his seat has made. My suggestion would be that the Minister of Agriculture for the dominion should call together in council the provincial ministers of agriculture; that this matter should be discussed and a definite policy arrived at which would be accepted by all the provinces, and that then there should be an immediate drive, which would produce results. In my opinion this disease has gone altogether too far to be reassuring.

Mr. CHARLTON: Is the minister going to make a statement on this?

Mr. GARDINER: I should just like to join with the hon. member for Lethbridge in saying that the statement is a valuable one. A similar statement was made a year ago by the hon. member for Lanark, and I expressed my appreciation of it at the time. I quite agree with him that there is only one way by which we shall be able to attack the problem successfully, and that is by a policy somewhat similar to the one we have with regard to tuberculosis. We are not ready to proceed with it this year but it is being given consideration.

Mr. BLACKMORE: Has the minister given thought to the possibility of publicizing this matter by radio broadcasts over the dominion, or has something of this sort been done? I doubt whether people in general understand sufficiently the seriousness of this problem.

Mr. GARDINER: I really think it is understood by those who are raising live stock, or the great majority of them; but, as has been emphasized this evening, it is just three years ago since we accepted the calfhood vaccine. It has been used in the United States for some time, but our experts here did not officially accept it as a preventive until just three years ago. Since that time information with regard to it has been widely circulated. As a matter of fact, one of the reasons why it was officially accepted was that a great many people in Canada were writing in daily or weekly insisting on its being accepted, indicating that they knew something about it. Medical men, such as the hon. member who has just spoken to us, have been urging that something more be done about it than is being done, because, after all, as I understand it, this disease can be transferred to human beings—which is much more serious than the animal itself having the disease.

The same thing was true of tuberculosis. That is why we took such an active part in fighting tuberculosis; but there is an additional feature of it, that when I came here first, the first delegation I had in the department was a group of breeders from Ontario who were objecting strenuously to the extent to which we were trying to regulate Bang's disease. As a matter of fact, they succeeded in having us undo some of what we had been doing. We were compelling any man who had undulant fever in his herd to stamp a big B on the cheek of the animal; but we were compelled by pressure to put the B in the ear, where it was harder to see. That was the attitude of persons who themselves were interested. We refused to make the B off altogether. The situation to-day is a little different. People have been educated up to the seriousness of the disease, just as a few years ago they were educated up to the seriousness of tuberculosis in cattle. I think we are getting nearer to the time when we can do something similar to what has been done with tuberculosis; but, again, it involves these larger staffs of veterinarians in order to put the policy in effect. Just as soon as we can see our way through it, some policy will be developed.

Mr. CHARLTON: I have enjoyed very much the discussion which took place earlier this evening in which western members took part. I can only assure hon. members from the west that I personally was having a good laugh over it and I think most of the eastern farmers are good-natured enough not to have any ill-feeling as a result of some of the remarks which have been made.

Regarding the health of animals branch, I said certain things last fall which included some observations with regard to salaries in the civil service, mainly the health of animals branch, which branch I mentioned specifically. I am glad to see there have been some changes in this department, not only in respect of salaries but in the reclassification of some of the inspectors. But I am doubtful whether sufficient has yet been done to get men to come into the service, and I am quite worried about the situation. After I talked to several of these boys, some of whom are in grades which have been reclassified, they wonder whether

it is worth while for them to remain in the minister's department. If they decide that it is not, and we lose more of the veterinarians now working in that branch, the situation will become that much more serious than it is. As matters stand to-day, I understand, according to the estimates, that there are still some men getting less than $2,400 who are working in this service. Is that so?

Mr. GARDINER: All the men who are now coming in are starting at $2,400.

Mr. CHARLTON: I realize that is so, but I am asking the question, are there any in the service who are still getting less than $2,400?

Mr. GARDINER: I believe they are all getting not less than $2,400.

Mr. CHARLTON: According to the estimates, there are a few who are still below $2,400. That is why I asked the question. It so happens that a man who joins the service now, starting at $2,400, could easily in four years rise to the same salary as a man who has been in the service for twelve or fourteen years. It would appear unfortunate that that is the case. I realize that ability must count. It is difficult for the civil service commission to get a true picture of what this whole salary schedule should be. But one thing definite in my mind is that men in the field, in charge of districts, who are doing as much and probably have as much responsibility as men in charge of packing plants, are not getting the salary that the man in charge of a packing plant is receiving. Personally I do not see any reason why there could not be some overlapping of the salary set-up which would give a stimulus to the man in the field who is performing this important service, so that he would have something to look forward to. As it is now, I believe the maximum for that particular grade would be $3,300.

Mr. GARDINER: Just to put the record straight, may I say that I understand the men in the field now do get as much as the men in the packing plants if they are in charge of a district. That is under the new arrangement. What is being stated was true up until recently.

Mr. CHARLTON: It has been quite recent?

Mr. GARDINER: Yes.

Mr. CHARLTON: I am glad to hear it. It gives the man in the field an opportunity of going to $3,600.

Mr. GARDINER: Yes.

Mr. CHARLTON: I am sure the men will appreciate that. I do not know for certain, but I have heard that the number who are likely to come here from the veterinary college will not be over three or four. If that be the case, we cannot expect much increase in the work done by the health of animals branch for at least another year. In the meantime there are three counties in Ontario which have dropped back from the status of accredited areas. I hope hon. members will not criticize me for using Ontario figures and not the figures of other provinces. It is not that I am trying to differentiate, because I know the same will be true all across Canada. Three counties have lost the accredited area status, and one more county will lose it this year. The counties that have lost it are: Prince Edward, my own county of Brant, and the township of Pittsburg in Frontenac county; and Waterloo county will be out on August 1. The townships of Huntley, Fitzroy and Torbolton in Carleton county will be out on October 1. This is a serious situation. It is in tuberculosis alone. The work of the past fifteen or twenty-five years will be put back a great many years if these counties are to be untested for just how long I am not sure. The infected animals will be left there to infect other animals, and this disease spreads quite rapidly. It spreads not only to cattle but also to other live stock, specifically hogs. Quite recently there have been several cases of hogs having to go to the tank because they were infected with T.B. But it is also transmissible to humans. That was mentioned by the hon. member for Lanark.

Bang's disease is probably just as serious as T.B., if not more so. Bang's disease is definitely transmissible to humans as the hon. member for Lanark said. So far the medical profession have found no cure for it. Neither have we a cure for Bang's disease in cattle. But as I mentioned in the house last fall, there is a good block or control for the disease in the form of brucella abortus vaccine, strain 19. Strain 19 is being used in Ontario to good advantage. A moment ago the minister made a statement that vaccine must not be used in adult animals. I ask him why that is so. I believe I proved to the house last fall that there were no ill effects from the vaccination of adult animals as found by the United States authorities with strain 19. It has been proven that even a cow that is near freshening can be vaccinated with strain 19. Probably she would abort, but that fœtus can be exposed to any other animal in the herd, and, according to the United States report, those animals will not contract abortion. Therefore I ask the minister why—

Mr. GARDINER: The only reason I can give is that I must take my officials' advice

because I am not a veterinarian. My hon. friend is and he probably would disagree with them, but I must agree with my officials or—

Mr. CHARLTON: I understand that perfectly. Probably some of the officials are still back in the horse-and-buggy days. Surely we can take the results of the experiments in the United States as true. Surely we are not expected to carry on experiments of our own here and spend hundreds of thousands of dollars to do the same work they have done. The minister said that there is very little we can do without more help. I made another suggestion last fall with regard to the vaccination of calves to be raised in listed herds. I still make that suggestion. It is very important. I may say that it would take probably only fifteen minutes of the veterinarian's time when he is there testing the herd to try to tell the owner how important it was that he have these calves to be raised vaccinated. It would just be a matter of time; it would not be any extra labour. I venture to say that he would spend fifteen minutes talking to the farmer anyway, and it would be time spent to good advantage in explaining the situation to him.

I also said last fall that the listed herd is probably the most vulnerable of any herd in the country. Personally I would prefer to have the average herd on the back concession than I would the listed herd in so far as Bang's disease is concerned, because there is neither acquired nor natural immunity in the listed herd, and the disease can spread rapidly in that herd, much more so than in the average herd on the back concession. I have made two suggestions: first, that all calves to be raised in listed herds could quite easily be vaccinated. The vaccine is free; it does not take very long to inject it, and, as the hon. member for Lanark said, in only one and a half per cent of the cases were they still positive after the second lactation. Even though an animal is positive it affects it only for export. As a matter of fact, you might be a great deal safer to have an all-positive herd than an all-negative herd, if it was negative from the fact that it had not received the vaccine and was not infected. Personally I believe there are two things that could be done. The departmental officials should make themselves more fully acquainted with the system or draw in men from the United States who do know. I would suggest that they either communicate with the inspectors in the field who are doing the work or bring them in to a central point and give them a short course, explain the situation to them. There is one difficulty which should be cleared up in the minds of those who are vaccinating cattle.

[Mr. Gardiner.]

Vaccine is not a cure; it was never supposed to be a cure, and the very thing that is probably worrying most veterinarians to-day more than anything else is that in many of these herds that have been vaccinated since 1936 or 1937—I will not say "many," but a few—abortions are occurring.

Mr. MACKENZIE: I am sorry to interrupt my hon. friend, but it is eleven o'clock.

Progress reported.

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

Monday, May 20, 1946.

The house met at three o'clock.

PRIVILEGE

PRIVATE RADIO STATIONS AND WAVE LENGTHS

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I rise to a question of privilege. It is incidental only to myself, but I think it affects the rights and privileges of every hon. member of this house. On Thursday last I asked the Minister of National Revenue (Mr. McCann) if the Canadian Broadcasting Corporation were buying three large broadcasting outfits, and if it were the intention that the wave lengths of from one to three stations were to be taken away from the people who at present own them. At that time the minister replied that this was a matter of government policy, and in short refused to answer. That was on Thursday. On Saturday I read in the newspapers the answers to the questions I had asked. My view is that hon. members of this house do not deserve to be treated with that kind of contempt.

Hon. J. J. McCANN (Minister of National Revenue): I am sorry the hon. member insinuates that I treated him or anybody else with contempt. I had no such idea; I gave him the answer as I knew it. So far as the report in the newspapers is concerned, I am not in a position either to confirm or to deny it.

Mr. SMITH (Calgary West): It came from you, according to the newspapers.

Mr. McCANN: My dear friend, if you believe all you see in the newspapers then you will be able to eat all you see there.

Mr. SMITH (Calgary West): Then deny it, if you wish.

Mr. McCANN: It did not come from me.

REPLY OF MINISTER OF RECONSTRUCTION TO QUESTION CONCERNING COAL

Mr. L. W. SKEY (Trinity): A few days ago I addressed a question to the Minister of Reconstruction (Mr. Howe) on the subject of coal. Within the hour a statement was given to the press banning the use of soft coal in public buildings, and so on. At that time the minister did not take the opportunity to elaborate in answer to my question, though he must have been aware that this announcement would be made within a few moments of the time the question was put to him here in the house. I feel that this is another case in which the house has been overlooked as a medium for public information.

Right Hon. J. L. ILSLEY (Acting Prime Minister): I want to call the attention of the house to the fact that the Minister of Reconstruction is not in his place. If he were here, no doubt he would be in a position to answer the statement just made.

FOOD

WORLD SHORTAGE—CANADIAN PLANS FOR INCREASED SUPPLIES

Right Hon. J. L. ILSLEY (Acting Prime Minister): Mr. Speaker, discussions of the world food situation have taken place over the week-end between members of the Canadian government and Mr. Herbert Morrison, M.P., Lord President of the Council, of the United Kingdom, who came to Ottawa for this purpose following similar discussions with United States representatives in Washington at which the Canadian ambassador was present.

The Canadian government has taken note of the joint statement issued by the United Kingdom and the United States on May 17, following Mr. Morrison's discussions in Washington and has expressed general agreement with the proposals it contains for continuing consultation and collaboration to meet the world food crisis.

During the discussions in Ottawa the steps already taken by Canada and the United Kingdom to alleviate the disastrous effects of world food shortages were reviewed and broad lines of future policy were discussed.

The maximum supplies of bread grains that are at present likely to be available from May through to September, 1946 have been assessed at some ten million tons, of which Canada expects to supply 2·3 million tons. Screened requirements for the same period were expected to total 13·4 million tons leaving a deficiency of 3·4 million tons or about 25 per cent. A further intensive review and scaling down of these requirements to the barest minimum needs are likely to reduce the gap over this five-months period to something under one million tons. Inevitably severe hardship will result and great danger of famine will continue. The Canadian government has agreed to associate itself with the United Kingdom and the United States governments in maintaining constant review of the situation, and to put forth its best efforts to secure and make available additional supplies of grain.

The Canadian ministers described the comprehensive programme of agricultural production and of conservation of food which their government is carrying out to meet this situation. In anticipation of the urgent world need for food that would arise immediately following the conclusion of the war, Canadian food production had been expanded during the war years. This high rate of expanded production has been maintained and in some cases even increased. Wheat acreage has been raised to a very high level. Rationing and restrictions on sales of certain foods to help provide more for export were continued and even extended; meat rationing was reimposed. Complete control of agricultural products, in particular grains, has been retained in order to ensure that as much food as possible may be made available to the hungry of other nations.

When, some months ago, it became apparent that the expected serious food situation in the world would be greatly aggravated by drought in large areas, and by other difficulties, the Canadian government took still further steps to meet the threat of famine. On March 17 the Prime Minister announced a nine-point programme upon which the Canadian government had decided in order to increase supplies of foodstuffs for export. This programme included:

1. Reduction by 10 per cent below 1945 of wheat released for human consumption in Canada.

2. Reduction by 50 per cent of wheat released for distilleries.

3. Special income tax arrangements to encourage immediate marketing of wheat stored on farms.

4. Measures to release increased quantities of oats and No. 4 wheat for export.

5. Special priorities for rail transport of wheat for export.

6. Modification of regulations affecting bulk shipment of flour and feed.

7. A campaign to urge Canadian farmers to plan their production to obtain the maximum yield of foodstuffs over the next four years.

8. A campaign for the reduction of inventories of wheat and wheat products.

9. A campaign to encourage consumer savings, avoidance of waste, and development of home gardens.

This programme has been put into effect and is already producing encouraging results. Other special action has also been taken by the government. For example, further wheat is being diverted from producers of both potable and industrial alcohol to the extent that substitutes become available; additional efforts to reduce use of wheat for animal feeds are being made.

The United Kingdom representatives described the efforts being put forth in the United Kingdom. Consumer rationing has been continued and over a wide field rations are now below low wartime levels. The rations of home-based United Kingdom forces have been reduced. The extraction rate of flour has been raised several times and will be maintained at 90 per cent during the critical May to September period. Supplies of grain for distilling have been cut from 300,000 tons to 130,000 tons. The size of loaves has been reduced, while production of biscuits, cakes and pastry has been substantially curtailed. Beer production has been set at 90 per cent of prewar production. Cereal production is being encouraged and a number of special directions and inducements have recently been introduced to this end. Feeding of millable wheat to live stock remains prohibited and rations for livestock have been cut down. Consumers are being encouraged to conserve food and to reduce waste.

Further, the United Kingdom has recently agreed to forego another 200,000 tons of imports which will thus be released for use elsewhere. This has been done with full awareness of the dangers to the United Kingdom in the way of still further interruptions of distribution or restrictions on the austere diet obtaining in the United Kingdom for the six years since the beginning of the war.

The Canadian and United Kingdom governments agree that every effort must be put forth to remove completely the threat of world famine, a threat which will continue at least until the harvests of 1947 become available. The two governments agree that they will continue to collaborate through the combined food board or other appropriate agencies to this end. They will continue to consult on measures of major importance which may be found necessary to meet the present world food shortage.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am aware that the statement which the Acting Prime Minister has just made is not supposed to be debatable, but perhaps the house would permit me to make one or two observations.

I want to commend the government for this announcement, and for its plan for further consultation and cooperation in this crisis with the governments of the United Kingdom and the United States. I can see no harm in the minister's restatement of the government's policy with respect to increasing the supply of food under these circumstances. I might just point out in passing, however, that when the minister says the Canadian people have put in a higher acreage of wheat in recent years, that has not been done because of, but rather in spite of, government policy.

Mr. ILSLEY: On a point of order, is this debatable?

Mr. SPEAKER: The statement made by the Acting Prime Minister is not debatable. It has been the practice, however, to permit the leader of the opposition to ask certain questions. I have always been generous in that respect, but I cannot permit any debate.

Mr. BRACKEN: Mr. Speaker, you did permit the Acting Prime Minister to make a very important statement. I now ask Your Honour: Are you going to deny me the opportunity of commenting upon it? If you are, I take my seat.

Mr. SPEAKER: As I have already said, it is well known practice in the house that statements made by ministers at this stage of the proceedings are not debatable. I thought it was my duty to permit the leader of the opposition to ask certain questions, or to ask for information, but I cannot permit debate.

Mr. BRACKEN: I was not proposing to debate the subject at all. I had simply intended to make some comments. The only comment I have made thus far is to deny what the minister has said, namely that as a result of government policy the acreage of wheat in this country has been increased. The only other thing I wish to say is this: The leader of the house has referred to the fact that a member of the United Kingdom government is in Canada to-day to discuss this very important matter of food for a hungry world. The minister stated that he had met certain members of the government. My question is this: Would the government be good enough to arrange that that representative from the United Kingdom government meet representatives of other parties, as well as those supporting the government? We would all like to see him and to have his story and, so far as possible, we would like to support his request. The minister has already intimated

that this food crisis will not be overcome by this year's harvest. My suggestion is that plans should be made now in this as well as in other countries to see that short of the limitations placed upon it by climatic conditions, next year's harvest will be the biggest this nation has ever produced.

Mr. ILSLEY: Mr. Morrison intended to be here on Saturday and to leave to-day. I believe he was held up because of flying conditions and did not get here until yesterday noon. I am informed that his intention was to leave Ottawa at noon to-day, and I have every reason to think that he has left. I shall check and find out, but I know he had intended to leave at noon to-day.

PRINTING AND STATIONERY

REPEAL OF PROVISION OF ACT RESPECTING DUTIES OF CLERK OF PRINTING COMMITTEE

Hon. PAUL MARTIN (Secretary of State) moved for leave to introduce Bill No. 127, to amend the Public Printing and Stationery Act.

Some hon. MEMBERS: Explain.

Mr. MARTIN: The purpose of this bill is to amend section 3 of the Public Printing and Stationery Act to bring the practice with regard to the operations of the printing committee into consistency with the law of the land as it now stands.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 83, for the relief of Roland Taillon.—Mr. MacLean.

Bill No. 84, for the relief of Frederick Albert Johnson.—Mr. Maybank.

Bill No. 85, for the relief of Joseph François Georges Landry.—Mr. MacLean.

Bill No. 86, for the relief of Dorothy Ruth Bennett Macnutt.—Mr. Maybank.

Bill No. 87, for the relief of Anne Levy Marder.—Mr. MacLean.

Bill No. 88, for the relief of David Ritchie McEwen.—Mr. MacLean.

Bill No. 89, for the relief of Marie Jeanne Antoinette Bastien Cadieux.—Mr. MacLean.

Bill No. 90, for the relief of Gwenyth Lorraine Madge Popkin.—Mr. MacLean.

Bill No. 91, for the relief of Louis Jocelyn Wolfrey Black Griffin.—Mr. Maybank.

Bill No. 92, for the relief of James Delmer Thomas Kirton.—Mr. Maybank.

Bill No. 93, for the relief of Helen Sylvia Stacey Thompson.—Mr. Maybank.

Bill No. 94, for the relief of Kay Florence Smart Gardiner.—Mr. Maybank.

Bill No. 95, for the relief of Zoita Tehanciuc Moldovan.—Mr. Maybank.

Bill No. 96, for the relief of Ambrose Keble Fred Vernham.—Mr. Maybank.

Bill No. 97, for the relief of Clermont Gendreau.—Mr. MacLean.

Bill No. 98, for the relief of Beatrice Lydia Ogulnik Goldin.—Mr. Boucher.

Bill No. 99, for the relief of Harry Dyce.—Mr. Maybank.

Bill No. 100, for the relief of Alastair Trenholme Lovat Fraser.—Mr. Maybank.

Bill No. 101, for the relief of Elsie Rachel Silverson Ward.—Mr. MacLean.

Bill No. 102, for the relief of William Joseph O'Sullivan.—Mr. Maybank.

Bill No. 103, for the relief of Dorothy McClelland Hamilton.—Mr. Maybank.

Bill No. 104, for the relief of Violet Maude Griffiths Barraclough.—Mr. MacLean.

Bill No. 105, for the relief of Norman Peter Gray.—Mr. Maybank.

Bill No. 106, for the relief of Andrew Kovacs.—Mr. Maybank.

Bill No. 107, for the relief of Eda Margel Sand.—Mr. Maybank.

Bill No. 108, for the relief of Lucille Eileen Piché Perrier.—Mr. Maybank.

Bill No. 109, for the relief of Bertha Lipshitz Joslove.—Mr. Maybank.

Bill No. 110, for the relief of Ernest Leslie Maddock Jones.—Mr. Maybank.

Bill No. 111, for the relief of Marie Komyati Sznyitar.—Mr. Emmerson.

Bill No. 112, for the relief of Irene Renee Levey Ritchie.—Mr. Emmerson.

Bill No. 113, for the relief of Alexander Marr Meldrum.—Mr. Maybank.

Bill No. 114, for the relief of Ottocar Fiedler.—Mr. Maybank.

Bill No. 115, for the relief of Kathleen Elizabeth Regan Griffiths.—Mr. Maybank.

Bill No. 116, for the relief of Eliza Ritchie McDerment.—Mr. Maybank.

Bill No. 117, for the relief of Ruby Eileen Baker Jones.—Mr. Maybank.

Bill No. 118, for the relief of Ralph Samuel Currie.—Mr. Maybank.

Bill No. 119, for the relief of Simone Tardif Laverdure.—Mr. Maybank.

Bill No. 120, for the relief of Max Schacter.—Mr. Maybank.

Bill No. 121, for the relief of Mary Walker Tiffney.—Mr. Maybank.

Bill No. 122, for the relief of Margaret June Purdy MacKinnon.—Mr. Maybank.

Bill No. 123, for the relief of John Rae.—Mr. Maybank.

Bill No. 124, for the relief of Nellie Mugford Brumby.—Mr. Maybank

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN PACIFIC RAILWAY—CONSTRUCTION IN SOUTHERN SASKATCHEWAN

Mr. McKAY:

1. What charters for railway construction are at present held by the Canadian Pacific Railway in southern Saskatchewan?
2. Have any commitments been made by the railway company for the early completion of the branch lines involved in these charters?
3. When do the charters for the construction of each of these railway lines terminate?
4. Have any applications been made by the Canadian Pacific Railway Company to have these charters (1) extended; (2) cancelled?

Mr. CHEVRIER:

The Canadian Pacific Railway Company advise as follows:

1. None, other than the general branch line powers contained in section 14 of the agreement dated 21st October, 1880, which is a schedule to the company's act of incorporation, 44 Victoria (1881), chapter 1.

2. No.

3. Charters for the construction of railway lines in southern Saskatchewan, other than those given to the company by its original charter, have now expired.

4. No.

FEDERAL EMPLOYEES IN DAUPHIN CONSTITUENCY

Mr. ZAPLITNY:

1. How many persons residing within the electoral district of Dauphin are on the regular payroll of the federal government?
2. What are their names and addresses?
3. What are, in each case, their, (a) duties; (b) salaries; (c) date of appointment?

Mr. MARTIN: I think perhaps this question could be dropped, in view of the fact that the hon. gentleman and I have had a chat and he has written me a letter for certain information.

Question dropped.

BANK OF CANADA—MANAGEMENT OF PUBLIC DEBT

Mr. HAZEN:

1. What did it cost the dominion government to have the Bank of Canada manage the public debt of the dominion in the year 1945?
2. Did the Bank of Canada render any other services in 1945 to the dominion government beside managing the public debt of the dominion?
3. If so, what other services were rendered and what did these services cost the dominion government?

Mr. MAYHEW:

1. Nil.

2. Yes.

3. The Bank of Canada acts as fiscal agent of the dominion government without charge in accordance with the provisions of section 23 (1) of the Bank of Canada Act. These fiscal agency duties include, in addition to management of the public debt, the distribution of subsidiary coin; shipment of gold to world markets for sale; purchasing, selling and safekeeping of securities for government departments and agencies; and maintenance of government deposit accounts. The Bank of Canada also performs the normal functions of a central bank which include the tendering of advice on financial and monetary matters to the government of the country in which it is located.

Certain out-of-pocket expenses incurred by the bank for the account of the government are reimbursed by the government to the bank. These expenses are mainly express and telegraphic charges.

WORLD SUGAR POOL

Mr. LOW:

1. Are Canada and the United States members of a world sugar pool?
2. Are they both subject to the same quota allowance?
3. Upon what basis is this quota decided?
4. Are the per capita quantities of sugar available in various forms to the people of the United States greater than those allowed to Canadians, and if so, what is the comparison?

Mr. MAYHEW:

1. Canada, United States and United Kingdom are all members of the combined food board.

2. Yes.

3. By agreement between representatives of the United States, United Kingdom and Canada.

4. No. The total per capita quantities of sugar allocated are the same in both countries, but each country makes its own decisions governing internal distribution. In other words each country makes its own decisions regarding the relative quantities to be allocated to householders, to public eating places and to sugar using industries.

SUGAR

Mr. BARRETT:

1. Has consideration been given to increasing the quantity of sugar available to householders for canning purposes over the quantity allowed last year?
2. If so, what is expected will be the increase in the ration for the above purpose?
3. Is there a likelihood of an increased quantity of sugar to Canadian consumers during the last half of the present year?
4. Has the government canvassed the possibility of purchasing sugar from Java or other sources where it is reported available, and, if so, when may these increased quanties of sugar be expected to be made available to consumers?

Mr. MAYHEW:

1. Consideration has been given to this matter but there is no prospect that there will be an increase in sugar available for canning purposes.

2. Answered by above.

3. No.

4. The representatives of the British, United States and Canadian governments through the medium of the combined food board are in constant touch with all available sugar markets. No amount of sugar reported to be held in Java has so far been made available for export therefrom. If and when Java sugar becomes available it will be allocated through the combined food board of which Canada is a member.

WARTIME HOUSING—VANCOUVER

Mr. MERRITT:

1. Of the 1,200 houses contracted to be built by Wartime Housing Limited, in the city of Vancouver in the month of July or August, 1945, how many have been completed, up to April 30, 1946?

2. How many were occupied by tenants at that date?

3. Who are the contractors for this project?

4. Has the completion of any of the 1,200 houses been delayed for lack or scarcity of materials?

5. What is the total amount of building materials subject to priorities allotted to the contractors between the date of the contract and the 30th April, 1946?

6. What is the total amount of building materials subject to priorities used in the construction of said houses between said dates?

Mr. McILRAITH:

1. The agreement referred to was entered into with the city of Vancouver whereby Wartime Housing Limited undertook to erect 1100 houses and the city agreed to provide improved lots for the construction of these houses. However, the city of Vancouver was able to provide only 1006 improved lots and as these became available to Wartime Housing, contracts were awarded on August 3, September 6 and October 2, 1945. Of these 1006 houses, 191 had been completed by April 30, 1946.

2. 191.

3. Smith Bros. & Wilson, 446 houses; Dawson Wade Co. Ltd. and C. Gostick, 229 houses; Commonwealth Construction Co. Ltd., 331 houses.

4. Yes.

5. $803,824.54 allotted to the above contractors on the above job.

6. $803,824.54.

AMERICAN MILITARY HOSPITAL, CHURCHILL

Mr. MOORE:

1. Has the federal government taken over the American military hospital at Churchill, Manitoba?

2. If so, what disposition is being made of this hospital?

Mr. McILRAITH: In so far as the Department of Transport is concerned:

1. Yes.

2. As it is surplus to the requirements of the Department of transport, it is in process of being reported to crown assets allocation committee for disposition.

LOANS UNDER FARM IMPROVEMENT LOANS ACT

Mr. MENARY:

What is the total amount of the loans made by the dominion government, under the Farm Improvement Loans Act, in each province?

Mr. MAYHEW: The dominion government does not make loans under the Farm Improvement Loans Act. Loans are made by chartered banks and the repayment thereof is guaranteed by the dominion government up to 10 per cent of aggregate amount of loans made by each bank.

Loans made by chartered banks by provinces to March 31, 1946, under the Farm Improvement Loans Act, are as follows:

British Columbia	$ 133,063 36
Alberta	1,687,205 43
Saskatchewan	1,177,462 85
Manitoba	684,094 97
Ontario	819,768 96
Quebec	160,734 75
Nova Scotia	26,548 40
New Brunswick	29,904 20
Prince Edward Island	7,360 50
Total	$4,726,153 42

GOVERNMENT MOTION PICTURE BUREAU

Mr. FULTON:

1. What is the government motion picture bureau?

2. Under what authority is it constituted?

3. Who are (a) the director; (b) the members of the bureau?

4. What are the duties of the bureau?

5. What salaries are paid to (a) the director; (b) the members of the bureau?

Mr. CLAXTON:

The information asked for is as follows:

1. The government motion picture bureau no longer exists. Formerly a section of the Department of Trade and Commerce its functions are now performed by the national film board. In accordance with the terms of the Public Service Rearrangement and Transfer of Duties Act C.165, RSC. 1927, the control and

supervision of the Government motion picture bureau were vested in the national film board by orders in council P.C. 3549 of June 11, 1941 and P.C. 6047 of August 8, 1941, which were tabled on June 12, 1941 and November 3, 1941, respectively.

2, 3, 4 and 5. See Answer to No. 1.

CONSTRUCTION OF ROADS INTO MINING AREAS

Mr. MOORE:

What amount of money was made available to the provincial governments Manitoba, Ontario, Quebec and Alberta, by the federal government for the construction of roads into mining areas in 1942, 1943, 1944 and 1945?

Mr. GLEN:

Fiscal year	Alberta	Manitoba	Ontario	Quebec
1942–43	$1,276 10	nil	$26,272 27	$32,632 36
1943–44	nil	nil	75,322 06	46,463 77
1944–45	nil	nil	466 97	11,525 20
1945–46	nil	nil	nil	nil

LEVEL RAILWAY CROSSINGS—NOVA SCOTIA

Mr. STANFIELD:

1. How many level railway crossings are there in the provinces of Nova Scotia?

2. How many of these level railway crossings are protected by wig-wags or automatic gates?

Mr. CHEVRIER:

The Board of Transport Commissioners advise as follows:

1. Approximate number of level crossings in Nova Scotia, 971.

2. Approximate number protected by automatic signals or gates, 80; approximate number protected by electric bell and danger sign, 25; approximate number protected by watchman, 9; approximate number of unprotected crossings, 857.

POLYMER CORPORATION LIMITED

Mr. MURPHY:

1. Who are the officers and directors of the Polymer Corporation Limited?

2. What is the salary of each director and/or other official?

Mr. McILRAITH: I would point out that the information being asked for in this question was given to the house in a return tabled on March 15, 1946.

Mr. MURPHY: In view of the resolution sponsored last Wednesday by the Minister of Reconstruction and Supply (Mr. Howe) with regard to the operation and financing of government companies, and the fact that there are some questions affecting the Polymer corporation and I do not know when that resolution will be up again for debate, I would ask that the questions involving Polymer be answered as soon as possible, or at least before that debate comes up again.

Mr. McILRAITH: I would point out that this was answered on March 15 of this year.

Mr. MURPHY: I am thinking about the others that were not answered, and others that will come up to-morrow.

Mr. MACKENZIE: They will be answered when it is convenient to answer them.

Mr. HOMUTH: Who is running this country?

Mr. McILRAITH: The question is answered.

RUSSIAN EMBASSY—SECOND SECRETARY AND CONSUL

Mr. TUSTIN:

1. Have any steps been taken to request the recall of one Pavlov, second secretary and consul of the Russian embassy at Ottawa?

2. If so, when and with what results?

Mr. ST. LAURENT:

1. No.

2. Answered by No. 1.

OFFICERS ON STRENGTH OF INTERIM ARMY

Mr. KIDD:

1. How many officers are serving on the strength of the interim army with the rank of captain?

2. How many of these officers have only had service in Canada and Great Britain?

3. How many officers are serving on the strength of the interim army with the rank of lieutenant?

4. How many of these officers have only had service in Canada and Great Britain?

Mr. LAPOINTE:

1. 445.

2. 44.

3. 372.

4. 78.

Above figures as of 30th April, 1946.

QUESTIONS PASSED AS ORDERS FOR RETURN

WAR ASSETS—BOUCHARD PLANT—GAMES AND SPORTING EQUIPMENT

Mr. BERTRAND (Terrebonne):

1. Have all games and sporting equipment used at Bouchard D.I.L. during the production period, been declared war surplus assets?

2. If so, on what date were they transferred to the War Assets Corporation?

3. Have they been disposed of?

4. If so, what equipment was disposed of, to whom, and at what price?

Mr. McILRAITH: Return tabled.

SUGAR FOR APIARISTS

Mr. HANSELL:

1. How much sugar per colony of bees is being allowed this spring to apiarists for feeding purposes?
2. How does this compare with the amount allowed in 1945?
3. Has there been a decline in the number of colonies of bees shipped into Canada from California, and other places compared to 1945? If so, to what extent?

HOUSING—VETERANS—ONSLOW, N.S.

Mr. STANFIELD:

1. On whose authority was the site chosen by the dominion government for the building of veterans houses at Onslow, Colchester county, Nova Scotia?
2. How much was paid for the land?
3. Why were the houses built in such a location?
4. How many houses were built?
5. What was the total cost of all the houses?

DEBTS PAYABLE IN LONDON AND NEW YORK FUNDS

Mr. FLEMING:

What amount of (a) bonds; (b) other forms of indebtedness issued or guaranteed by the dominion of Canada, are payable in (1) London; (2) New York funds, and what are the dates of maturity?

Mr. MAYHEW: Return tabled.

MUNICIPAL IMPROVEMENTS ASSISTANCE ACT, 1938

Mr. FLEMING:

What payments have been made, by years, to each of the provinces under authority of the Municipal Improvements Assistance Act, 1938, from its inception?

Mr. MAYHEW: Return tabled.

HUDSON BAY RAILWAY

Mr. THATCHER:

1. Will any Canadian wheat or other freight be shipped over the Hudson Bay railroad and seaway route this year?
2. If so, how much?
3. If not, for what reason?
4. Have any of Canada's trade commissioners in Europe been requested to seek in-going cargoes for the Hudson Bay route?
5. Has the government given any consideration to coal from England as a temporary import cargo for boats entering the Hudson Bay?

CANADA YEAR BOOK

Mr. DIEFENBAKER:

1. How many copies of the Canada Year Book, 1945 edition, were printed?
2. How many of these were sold to the general public, aside from the regular distribution to government departments?
3. How many copies of the handbook, "Canada 1946" were printed?
4. How many copies of the handbook, "Canada 1945" were sold to the general public, aside from regular distribution to government departments?

VETERANS LAND ACT—HOUSING

Mr. LOCKHART:

1. Under the Veterans Land Act administration, how many designs for veterans houses have been approved in the province of Ontario: (a) designate them by letter or number; (b) how many are completed and occupied; (c) indicate in what localities; (d) how many are presently under construction; (e) indicate in what localities?
2. How many bulk sum stipulated price contracts have been let in the province of Ontario: (a) for what designs; (b) to whom let; (c) what was the contract price in each instance; (d) under these contracts, are extras allowed for the use of equipment, or otherwise; (e) if so, on what basis are extras paid?
3. How many cost plus contracts have been let in the province of Ontario for the erection of veterans houses: (a) for what designs; (b) to whom have the contracts been let; (c) in what locations; (d) under these contracts, are extras allowed for the use of equipment or otherwise; (e) if so, on what basis are extras paid; (f) under cost plus contracts, is a fixed fee payable to the contractor; (g) if so, what is the fixed fee allowed in each instance?
4. Under cost plus contracts was an overall cost calculated before the contracts were let: (a) if so, what was the estimated overall cost for each design of veterans home—indicate in detail?
5. Were administration costs included in all estimates made: (a) were administration costs included in the overall cost to the veteran; (b) what was the estimated administration cost per unit for each design approved?
6. How many inspectors are employed under the Veterans Land Act in connection with housing in the province of Ontario: (a) what are their names and in what areas are they employed; (b) what salary is being paid, or was paid, in each instance; (c) what qualifications have been established in order to secure employment as an inspector under the Veterans Land Act?
7. On whose advice were the sites for veterans homes chosen?
8. Who recommended the sites chosen at Niagara Falls, Welland and St. Catharines?

PROVING GROUNDS

Mr. LOCKHART:

1. (a) Since September, 1939, how many proving grounds were established in Canada; (b) where were they located?
2. How many claims have been filed for damage to property, or otherwise, arising out of the operation of these proving grounds, stating the number of claims received from each proving ground.
3. (a) How many claims have been paid for damages arising out of the operation of these proving grounds prior to the passing of P.C. 80/4133 on May 31, 1944; (b) from which proving ground did these claims arise?
4. (a) How many claims have been paid since the passing of P.C. 80/4133; (b) from which proving ground did these claims arise?
5. How many claims have been refused to date, stating the location of the proving ground from which these claims arose?

6. How many are still under consideration, and in what location?

7. (a) On whose recommendation was P.C. 80/4133 passed; (b) for what reason?

SERVICE IN PACIFIC WAR THEATRE—RATES OF PAY

Mr. LENNARD:

1. How many of all ranks of the (a) Royal Canadian Navy; (b) Canadian Army (c) Royal Canadian Air Force, served in the Pacific war theatre before V-J day?

2. Did all of the above receive Pacific rates of pay? If not, why not?

AGREEMENTS RESPECTING UNITED STATES PROJECTS IN CANADA

Mr. BLACK (Yukon):

1. Was an agreement made between the government of Canada and the government of the United States of America whereby Canadian employees of contractors, where American or Canadian, engaged by the United States on projects, including the Alaska highway, in Yukon, were or are covered by the Longshoremen's and Harbour Workers' Compensation Act of the United States, and that no Canadian provincial or federal workmen's compensation laws would apply to such employees in Yukon?

2. Was an agreement made between the government of Canada and the government of the United States of America whereby Canadian or other civilians suffering injury and incurring damages due to negligence on the part of a member or members of the army of the United States of America in Yukon, Canada, are deprived of their rights to sue the United States of America or the army of the United States of America for damages in the territorial court of Yukon territory, and, if so, what rights, if any, have been given to or conferred on such Canadians in lieu of the rights of which they have been so deprived?

SUBSIDIES

Mr. RAYMOND (Beauharnois-Laprairie):

What subsidies were paid by the government during the years 1939 to 1944 inclusive?

FOOD SHIPPED TO EUROPEAN COUNTRIES

Mr. RAYMOND (Beauharnois-Laprairie):

What quantity of each food product was sent by Canada each year, from 1940 to 1945 inclusive, to the various European countries, and what amount to each country?

JAPANESE INTERNED IN CANADA

Mr. MacINNIS:

1. How many persons of Japanese origin are now interned in Canada?

2. How many of these are (a) Japanese nationals; (b) Canadian citizens by naturalization; (c) Canadian citizens by birth?

3. How many have been released from internment since V-J day?

4. Do the review boards appointed under the Defence of Canada Regulations investigate Canadian internees of Japanese origin with a view to making recommendations to the Minister of Justice?

[Mr. Lockhart.]

MOTIONS FOR PAPERS

POLYMER CORPORATION LIMITED

Mr. MURPHY:

For a copy of financial statement of the Polymer Corporation, Limited (a) as of March 31, 1945; (b) as of March 31, 1946 showing (1) balance sheet; (2) operating statement for the year; (3) power plant expenses; (4) plant overhead expenses; (5) capital assets held in trust for the crown.

Mr. McILRAITH: Mr. Speaker, I would like the opportunity of looking further into this motion. It will be noted that it asks not only for the financial statements of the company, but that they show the operating statement for the year and power plant expenses. I am not sure whether the financial statements give the information in that form.

Mr. HOMUTH: If it is a proper statement, it has to.

Mr. McILRAITH: I do not propose at the moment to argue the propriety or impropriety of the financial statements of crown companies. I would ask that the motion stand unless the mover is satisfied to take the financial statements without the limitations he has attached to them.

Mr. MURPHY: I will accept what the minister can give me now, and if that is not enough I can ask for more later.

Mr. SPEAKER: Carried, on that understanding.

Motion agreed to.

INQUIRY INTO ADMINISTRATION OF CANADIAN ARMY IN HOLLAND

On the motion—Mr. Cockeram:

For copy of report of the court of inquiry held by Lieutenant-General Price Montague, C.B., D.S.O., M.C., into the administration of the Canadian Army in Holland.

Mr. MACKENZIE: Mr. Speaker, I ask that this motion stand in the absence of the minister.

Mr. HOMUTH: When is the minister expected back?

Mr. MACKENZIE: To-night or to-morrow.

Motion stands.

AUXILIARY SERVICES

PROVISION FOR FINANCIAL AND OTHER BENEFITS

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to provide financial and other benefits for certain persons who were attached to and served with the naval, military or air forces of Canada, outside the western hemisphere, during World War II, as supervisors in the auxiliary services.

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

Motion agreed to.

CANADIAN CORPS OF FIRE FIGHTERS

PROVISION FOR FINANCIAL AND OTHER BENEFITS

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to provide financial and other benefits for certain fire fighters who served outside the western hemisphere, during world war II, as members of the Corps of (Civilian) Canadian Fire Fighters.

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

Motion agreed to.

REDISTRIBUTION

INQUIRY AS TO PROCEEDING WITH MEASURE DURING PRESENT SESSION

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I would direct a question to the acting leader of the house. It has to do with redistribution. It was indicated in the speech from the throne that we would be expected to proceed with a redistribution of the seats of the house at this session. In recent days common report has it that the government does not intend to proceed with the measure this session. I do not accept those reports, but under the circumstances the acting leader of the house should indicate whether the government does intend to proceed with that measure this session, and if so, when the bill is likely to be introduced.

Right Hon. L. S. ST. LAURENT (Minister of Justice): Mr. Speaker, the Department of Justice has been requested to draft appropriate measures in that regard and I hope that they will be ready to be placed on the order paper within the next two or three days.

DAIRY PRODUCTS

INQUIRY AS TO PRICE CEILING ON MILK AFTER JUNE 1

On the orders of the day:

Mr. G. RUSSELL BOUCHER (Carleton): I wish to ask a question of the Minister of Finance, of which I am sorry I was unable to give him notice. In view of the statement of government policy announced on Thursday last, will the dominion government exercise any jurisdiction over the price ceiling of fluid milk after June 1 next?

Right Hon. J. L. ILSLEY (Minister of Finance): The statement that was made on Thursday last was carefully expressed, and I do not think I can add anything to it in reply to my hon. friend's question. I received no notice of it, and I would not like to add anything to what was said by the Minister of Agriculture the other day. On looking at the question in *Hansard*, if I think anything should be added to what I said the other day, I shall have to make a statement later.

VETERANS AFFAIRS

PERMITS FOR RETURNED MEN TO GO INTO BUSINESS—SLAUGHTERING OF CATTLE

On the orders of the day:

Mr. J. H. FERGUSON (Simcoe North): Mr. Speaker, may I ask the Acting Prime Minister how much longer is this government going to continue refusing permits to returned men to go into business for themselves and make a livelihood?

Right Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, if the hon. gentleman will place his question, or one more appropriately worded, on the order paper, he will receive a full and careful answer.

Mr. FERGUSON: My question may not be appropriately worded, but the minister knows exactly what I mean.

[*Later:*]

On the orders of the day:

Mr. J. H. FERGUSON (Simcoe North): I should like to ask the Acting Prime Minister when veterans who are now engaged in butcher businesses in Canada are to be permitted to slaughter their own cattle, in order that they will not have to go out of business through lack of meat.

Mr. SPEAKER: I would ask the hon. gentleman to put his question on the order paper.

Mr. FERGUSON: The matter is urgent. These men are losing their businesses.

SUNNYBROOK HOSPITAL

INQUIRY AS TO TRADESMEN'S STRIKE—COMPLETION OF BUILDING

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, I should like to ask a question of the Minister of Public Works. What steps has the government taken or does it propose to take with a view to settlement of the strike at Sunnybrook military hospital called by the operative plasterers and cement finishers, A. F. of L., local 48, and when may completion of the hospital be expected?

Hon. ALPHONSE FOURNIER (Minister of Public Works): Mr. Speaker, I wish to thank the hon. member for giving me advance notice of his two questions. His first question relates to a strike of plasterers and cement finishers at Sunnybrook hospital. The facts are as follows:

On Wednesday, the 8th of May, the regional war labour board awarded to the union plasterers of Toronto an amount of $1.30 per hour, which was 5 cents per hour less than had been requested. This award represented an increase of 9 cents per hour and it was effective from May 1, 1946. On Friday, the 17th, the plasterers in the Toronto area laid off work and held a meeting, the results of which were that they requested from the different contractors in the Toronto area, in addition to the raise already granted by the regional war labour board on the 8th instant, holidays with pay for each of the eight statutory holidays observed throughout the year.

At noon to-day, the plasterers' union, which represents 600 plasterers, notified the plastering contractors that they were on strike asking for these holidays with pay. At a meeting of the plastering contractors held at 12 o'clock to-day, the four major contractors refused the demands but five minor contractors accepted them and their men may be at work. The results of this will not be known until to-morrow.

The regional war labour board have to-day granted increases, effective May 1, to the following trades: bricklayers, to $1.35 per hour; lathers, same as increased rate for plasterers, $1.30 per hour; plumbers and steamfitters, to $1.27 per hour; sheet metal workers, to $1.28 per hour.

Just before coming into the house, Mr. MacNamara, the deputy minister of labour, advised me that he had received a telephone call from the Toronto labour exchange to the effect that they expected this strike would be settled during the week.

[Mr. Ferguson.]

My hon. friend's second question related to the completion of the work at Sunnybrook hospital. I would not dare to fix a date, right in the midst of the strike, when the hospital will be completed, but I am ready to give a progress report on that project, as follows:

Boiler House. Completed and in operation.

Neuro-psychiatric Building. Practically completed. Expect occupation by June 15.

Up-patients Building. Expect occupation by October 15.

Active treatment building. About 95 per cent of all the concrete in floors and roof slabs has been placed. Exterior wall work is about 65 per cent completed. Plumbing, heating and ventilating pipes and electric conduits are being installed, and some tile partition work has been done in basement and on ground floor.

Out-patient building. Concrete in all floors will be placed by May 4—

This report is dated April 30.

—leaving only the roof and penthouse slabs to be done. Exterior stonework at ground floor is about 40 per cent completed.

O. & S.A. and maintenance building. All walls, columns and concrete work on ground floor are finished, and structural steel framework is about 20 per cent erected.

Laundry. All footings and walls, necessary for erection of structural steel framework, have been finished; and forms for main floor concrete slab are ready for placing of concrete.

Emergency water and coal storage. This structure is completed.

Services. As previously reported, power, water and sewer lines are all finished, and generally in use. No road work has been done since last fall.

Red Cross lodge. This building should be completed about May 31.

Mr. FLEMING: I note that the report which has just been read was made some time ago. Will the minister give us a further report on progress at some early date?

Mr. FOURNIER (Hull): I will ask that our architects in Toronto send me a further report.

Mr. L. W. SKEY (Trinity): In this connection, Mr. Speaker, may I call your attention to the fact that I asked the Minister of Veterans Affairs much the same question on April 5, 1946, which is over six weeks ago—as reported in *Hansard*, page 586—and this is the first reply we have had.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Mr. Speaker, on a question of privilege: the hon. member for Trinity (Mr. Skey) said that he asked a question of the Minister of Veterans Affairs on April 5. I find that the question was answered immediately, the same day.

Mr. SKEY: In reply to the Minister for Veterans Affairs, may I say that he did not answer the question, because no date for the completion of Sunnybrook hospital was given.

Mr. SPEAKER: During this period before the orders of the day are called, questions should not be turned into a debate. We should proceed with the business of the house.

RADIO BROADCASTING

PRIVATE RADIO STATIONS AND WAVE LENGTHS

On the orders of the day:

Mr. A. L. SMITH (Calgary West): I am anxious to direct two questions to the Minister of National Revenue. The first one is this: Is it true that the Canadian Broadcasting Corporation has purchased three large broadcasting outfits? The second is this: Has the Canadian Broadcasting Corporation taken any steps to take over three private stations, one of which is located in Toronto, another in Calgary, and the third, I believe, although I do not know, is located in Winnipeg?

Hon. J. J. McCANN (Minister of National Revenue): I am informed that orders have been given for some transmitters; I cannot say whether it is two or three. In reference to taking over some stations, it is not done just in that way. The way it is handled is that certain private commercial stations have the right to use a frequency and it is held upon a yearly basis; the permit is renewed from year to year; and in conformity with the Canadian Broadcasting Act the Canadian Broadcasting Corporation can notify the holders of those frequencies that they may be required for the purposes of the broadcasting corporation itself at some date. I cannot say whether or not any notification has been given to that effect.

Mr. SMITH (Calgary West): Well, is it going to be given?

Mr. McCANN: I cannot answer that at the present time. I shall have to find out from the broadcasting corporation, who make and put into operation their own policy, what they expect to do in that regard.

Mr. SMITH (Calgary West): Then, Mr. Speaker, you will perhaps permit a supplementary question.

Mr. SPEAKER: Order. I allowed the hon. gentleman to put his questions, although I did not think they were very urgent, but I wanted to be generous. I found that the question was pretty lengthy, and this was another reason why it should be put on the order paper. Now it seems to have turned into a debate. I ask the hon. member, if he has any further question to put, to put it on the order paper.

Mr. SMITH (Calgary West): May I submit a very simple question? It is about six words, and I am not asking that it be answered, Mr. Speaker, until you rule on it. Why have these transmitters been bought?

Mr. SPEAKER: I must again inform the hon. member that I do not see any urgency in his questions on this matter. I would ask him to put the question on the order paper.

NATIONAL PARKS

ADJUSTMENT OF BOUNDARIES IN RESPECT OF CERTAIN SMALL AREAS

The house resumed from Tuesday, May 14, consideration in committee of bill No. 63, respecting the boundaries of certain national parks—Mr. Glen—Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Hon. J. A. GLEN (Minister of Mines and Resources): When the discussion ended on Tuesday last I had not an opportunity to explain to the member for Davenport the situation with regard to the 200 foot strip along the foreshore of Point Pelee. He wanted to know why that was not included in the description of the park. The reason is that it was already in the title of the crown and therefore does not form a part of the description of the new piece now being taken over.

Mr. SMITH (Calgary West): Certain additions are being made to straighten out boundaries. What type of land is being taken over, and how much, if anything, is being paid for it?

Mr. GLEN: Banff park is already described in the National Parks Act. The boundaries of the park were not surveyed until 1940 when, on instructions of the surveyor general, a survey was carried out and an official map prepared. This map was approved and signed on behalf of the dominion government by the then minister of mines and resources, under the authority of the governor in council, and on behalf of the province of Alberta by Mr. Tanner. A copy is filed in the land titles office of the land registration district of Calgary, being 345, folio 109. Two small parcels of land not formerly in the park are included in the boundaries of the park as set out in schedule A, one parcel containing approximately 210 acres being required as a site for the eastern gateway. That was acquired. The other parcel, comprising one-sixth of a square mile, owing to the adjustment of the boundary made on the survey of the park is added with the approval of the province. That did not cost anything. The total area added is approximately one half square mile. The total area of the park as described in the schedule is 2,585 square miles more or less.

Mr. MacNICOL: The minister, at page 1540 of *Hansard*, on May 14, made this statement:

Mr. Speaker, as this bill, if enacted, will divest the crown of certain areas of land in certain national parks, title to which is at present in the crown, the governor general has been informed in respect thereto, and has given his consent to consideration of the bill.

Can the minister tell us which parks are being divested of certain areas? The parks mentioned in the bill are Banff, Kootenay, Riding Mountain, Point Pelee, Georgian Bay and Mallorytown. Is land being added to any of the parks, and what is being divested?

Mr. GLEN: All that is being divested is two small sites in the Riding Mountain park. They were outside the boundaries of the park and were used for houses for the park wardens. The administration has been carried to within the park now. These sites were unnecessary, being very small portions, and therefore we are divesting ourselves of them and turning them back to the province.

Mr. MacNICOL: We do not get anything for it?

Mr. GLEN: No.

Mr. BLACK (Cumberland): Will the minister make a statement regarding the policy of the department in respect of National Highland park in Nova Scotia?—which should have been called, I believe, the Cabot park, seeing that the Cabot tourist highway trail serves that park. I understand the province of Nova Scotia and large public bodies as well as individuals in the island of Cape Breton have made representations to the government to make extensive additions to that park in the northern part of the island. The land involved is largely crown land of the province of Nova Scotia. The matter has been before the public and the department for some time and I would like to know why it is not covered by the bill.

Mr. GLEN: I suggest that it might be more proper for the hon. member to ask that question on the parks estimates. We shall then be dealing with that particular matter. This is simply a bill with respect to the boundaries of certain parks. When the estimates on parks are before the house I shall endeavour to reply to the hon. gentleman's question, which has been noted.

Mr. DIEFENBAKER: Can the minister make a general statement as to what measures are being taken to encourage the greatest possible tourist traffic this year from the United States? By the time his estimates come up it may be rather late, and if ever there was a time when it was most necessary to encourage that tourist traffic with a view to securing United States dollars in Canada, it is now. I am sure the minister is in full possession of the necessary facts to enable him to make a statement on the subject.

Mr. GLEN: I would not wish to enter into a discussion of the point raised by the hon. member, which of course will come up under the estimates. All I would say now is that there is an increased grant being asked of the house for the very purpose he has mentioned. I hope to deal with the matter when the estimates are under consideration. This is something that should have been done years ago, because the boundaries of the park have to be correct and surveys have been made and plans registered in order that we may know what is contained within the boundaries of the park. This bill deals only with boundaries without reference to administration. When the estimates are before the house the questions that are now asked will be properly replied to.

Mr. REID: In taking over an area for a park is there some minimum extent of territory fixed before that area can be declared a park?

Mr. GLEN: There is no limit with regard to the area. The province may obtain land and give it to the dominion, who may then if necessary form a park.

Mr. REID: I remember on one occasion we were told by Ottawa that a certain area was too small to be considered a national park.

Section agreed to.

On Section 2—Park areas described.

Mr. STIRLING: I find it quite impossible to form any opinion on this bill, as to its merits or otherwise, by reading the schedules without reference to the maps and plans. As I understand it, this is an adjustment in the boundaries of certain parks, entailing the giving up of land in one place and the acquisition of land in another. Is it the provincial government which is at the other end of the deal in each case, or do private owners come into the picture? If private owners do come into the picture, are they sometimes sellers of land and sometimes purchasers?

Mr. GLEN: In the case of the Kootenay park, in which the hon. gentleman is interested, the provincial government is on the other side of the deal; and in the Riding Mountain park the same thing applies.

Mr. STIRLING: Banff?

Mr. GLEN: There is no divesting from the park there; that is a case of adding to the park. We are adding two small parcels, one

of which was bought and the other given, to be added to the crown lands within the park. In the other cases, however—that is in connection with Kootenay park and the Riding Mountain park—there is a divesting of two small portions only, which will belong to the province.

Mr. STIRLING: Who sold the land, in the case of the purchase by the crown for an addition to the Banff park?

Mr. GLEN: I have not the name of the individual. It was a purchase under the direction of the surveyor general, after a survey made at the entrance to the gate of the park. Perhaps I might send my hon. friend a plan of Kootenay park, so that he may see what is proposed.

Mr. WEBB: How much land was taken over in connection with the Mallorytown Landing park? I understand some arrangement or some adjustment was made as a result of the highway going through there. I should be interested to learn just what amount of land this boundary will take in. This park is accessible from the highway as well as from the St. Lawrence river, and I think eventually it will become very important. It is stated that the parcel of land being added amounts to 3·38 acres. I take it that is in addition to the land already within that park?

Mr. GLEN: Yes. As my hon. friend knows, the new scenic highway being constructed by the provincial government between Brockville and Gananoque runs through the Mallorytown Landing park, one of the St. Lawrence islands parks. The provincial government secured and transferred to the dominion a small area adjoining the park, in compensation for the area taken up by the right of way of the highway; and the area added amounts to 3·38 acres.

Mr. HAZEN: What was the date of the transfer from the provincial to the dominion government?

Mr. GLEN: About 1938.

Mr. ZAPLITNY: I notice that under schedule B something less than two sections are being added to the Riding Mountain park. Would the minister explain for what purpose this area is being added, from whom it was purchased, and what amount was paid for it?

Mr. GLEN: The portion mentioned by the hon. member was purchased in order to protect the entrance to the park. It is outside the south gate. Some people were wishing to build right up to the gate, and the officers of the department of that date thought it was necessary to protect the entrance, so they arranged the purchase of the land outside the park as it then was. I have not the amount paid, but I can give the hon. gentleman that information.

Mr. ZAPLITNY: And from whom it was purchased.

Mr. GLEN: Yes, I will get that information and give it to the hon. gentleman.

Mr. MacNICOL: There is just one other question. The minister gave some explanation when the matter was last before the committee, but I am not quite clear on it. Perhaps I should be; I know the area very well. I am referring to Flowerpot island. The bill provides to place it under the control of the Georgian Bay Islands park. Under whose control has it been up to now?

Mr. GLEN: The parks department has always had control. Flowerpot island, which it is desired to include in the Georgian Bay Islands park, is located at the head of the Bruce peninsula. The island was surrendered by the Chippewa Indians on June 5, 1856, and was acquired for park purposes from the Department of Indian Affairs on December 6, 1930. With the addition of Flowerpot island, Georgian Bay Islands park will consist of Beausoleil island, containing 2,712 acres, Flowerpot island, containing 475 acres, and some 28 smaller islands totalling 251 acres, giving a total area of approximately 3,438 acres.

Mr. CASTLEDEN: Were the Indians reimbursed for the surrender of that land, and if so what amount was paid?

Mr. GLEN: I have no information on that. It was surrendered a long time ago, but I have not the least doubt that it was properly surrendered and any compensation would be paid then. It was surrendered by the Chippewa Indians away back in 1856, and was acquired for park purposes in 1930.

Mr. FRASER: Has the navy department full control of Beausoleil Island, or what arrangements have been made in that regard?

Mr. GLEN: It is under our control, and just what arrangements will be made with the navy department I do not know. I understand they have been working around there and have set up some sort of camp for sea cadets, I believe.

Mr. FRASER: They have an excellent camp there.

Mr. GLEN: I believe that is so, but I have no idea as to the extent of their activities. I can get the information if the hon. gentleman desires it.

Mr. FRASER: I should like to have it.

Mr. GLEN: The hon. member wishes to know what arrangement was made with the navy department in regard to occupancy of that island?

Mr. FRASER: Yes; and can the minister also say whether tourists are allowed to camp on the other parts of that parcel of land in Georgian Bay?

Mr. GLEN: I will have to get that information and give it to the hon. gentleman.

Section agreed to.

Section 3 agreed to.

On section 4—Lands withdrawn from Riding Mountain park.

Mr. MacNICOL: Why is schedule F on page 14, and not immediately after schedule B on page 11?

Mr. GLEN: Schedule F deals with the land we are withdrawing. Schedule B deals with the lands we are adding to the different parks.

Mr. MacNICOL: I understood we were not adding anything to Riding Mountain.

Mr. GLEN: The hon. member for Dauphin was asking about that. We purchased a piece of land outside the entrance to Riding Mountain park, and that is being added to it. But we are also withdrawing two portions that were used for park wardens' houses, outside the park.

Mr. MacNICOL: How much are we adding to it?

Mr. GLEN: The area added amounts to 962·3 acres.

Mr. MacNICOL: Did we have to buy that from somebody?

Mr. GLEN: Yes, it was purchased, and I have promised to give the hon. member for Dauphin the purchase price and the names of the persons from whom it was purchased. As I explained, it was purchased in order to protect the entrance to the park. Many citizens were desirous of building warehouses and stores right at the park gate, and the officers felt they had to acquire this land in order to protect that entrance. So that land was purchased and the other portion is withdrawn, as I say, just for the two park wardens' houses.

Mr. MacNICOL: That is quite a large area, 900 acres. Is it now being farmed? If so, are there barns and houses on it, and is it all ready for cropping? If that is so, we may have to pay quite a price for it.

Mr. GLEN: I do not know the price, but it was not being farmed. It was intended to bring the approach to the park right through that area, and in that way protect all the amenities of the park.

Mr. FRASER: Are the 320 acres being withdrawn from Riding Mountain park timber land? I believe last year we had a bill before us dealing with this park, and the minister said there was a timber company cutting in there. Are they cutting on the 320 acres?

Mr. GLEN: No, not on this portion. This is land which can be used for agricultural purposes.

Mr. ZAPLITNY: Who will own these 320 acres after they are taken out? Under whose control will that land come?

Mr. GLEN: It goes to the province, so it will be under provincial control.

Section agreed to.

Section 5 agreed to.

On schedule A.

Mr. SMITH (Calgary West): Does the minister say he will let us know from whom this half section was obtained, and at what price?

Mr. GLEN: I shall be glad to get that information.

Schedule A agreed to.

Schedules B to F inclusive agreed to.

On the title.

Mr. FRASER: When may we have the answers to our questions?

Mr. GLEN: Either on the estimates, or by letter.

Mr. FRASER: Can we not have those answers before the bill is passed?

Mr. GLEN: I expect the bill will pass today. I can give the information by letter.

Mr. FRASER: I am not the only member interested.

Mr. GLEN: I can give the answers when my estimates are before the committee.

Mr. MacNICOL: I do not intend to delay passage of the bill, but it seems to me peculiar that the deputy sitting in front of the minister is not able to state immediately what is to be paid for that land added to the Riding Mountain park. We are not offering any opposition; in fact, we are for it, but it seems to me we should have that information at once.

Mr. GLEN: It was bought many years ago.

Mr. MacNICOL: Then it belongs to the government now.

Mr. GLEN: Yes.

Mr. MacNICOL: We did not know even that.

Mr. GLEN: It was purchased years ago and is now being taken over by the government. In this bill we are bringing it legally within the boundaries of the park.

Mr. NICHOLSON: When did these transactions take place? I gather some of them took place at least fifteen years ago.

Mr. GLEN: I have undertaken to secure for the hon. member for Dauphin information respecting purchase price and the party from whom the purchases were made. The information can be given either by letter or when my estimates are before the committee. The purchase in respect of Riding Mountain park was made years ago. All we are asking in this bill is that the area be included within the park boundaries.

Mr. MacNICOL: Has the 900 acres been under cultivation?

Mr. GLEN: No.

Mr. MacNICOL: Then we do not have to pay anything because of our dispossessing anyone now carrying on operations on the land?

Mr. GLEN: No.

Mr. SMITH (Calgary West): I believe the minister will agree that we are with him. But surely our responsibility in the examination of park boundaries and the purchases of lands for park purposes is such that we should know from whom those purchases have been made, when they were made, and how much was paid. That simple bit of information could be given to us before final disposition of the bill. There would not be much object in our getting it later.

Mr. GLEN: If the committee will agree, I shall be glad to give it before third reading.

Mr. SMITH: (Calgary West): That is satisfactory.

Mr. GLEN: At that time I shall answer the questions which have been asked by hon. members.

Mr. CASE: I note that schedule D provides for the addition of some small islands in Georgian bay. Is it the department's policy to lease islands of that type for long terms—let us say, ninety-nine years?

Mr. GLEN: I am informed that it is not.

Mr. STIRLING: We should have an understanding as to when we may have this information.

Mr. MACKENZIE: On third reading.

Mr. STIRLING: On third reading there can be no such thing as question and answer.

Mr. MACKENZIE: The minister will make a statement.

Mr. STIRLING: Another of those statements from a minister, with which we are becoming too much accustomed.

Mr. FRASER: It is "not debatable".

The CHAIRMAN: On third reading remarks could be made, but questions could not be asked. However any hon. member would be entitled to speak on third reading, if he wished.

Mr. STIRLING: The minister has brought down a bill having to do with the disposal of certain lands, the purchase of other lands, and the adjustment of boundaries of parks. It struck me as most extraordinary that we did not have more detailed information respecting the parties from whom the land was bought, to whom certain lands were sold, and all points having to do with conditions of purchase. If we now agree to the passing of the title, then the bill will have reached the stage of third reading and out of the committee, in which event we cannot ask further questions. I suggest the bill remain in committee, that the title be not carried, so that we may have in committee stage the information required. If necessary questions could be asked, and if hon. members were satisfied, the bill could pass on quickly to third reading.

Mr. GLEN: What the hon. member says is entirely correct. I would therefore ask that the committee rise, report progress and ask leave to sit again this day.

Title stands.

Progress reported.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of bill No. 10, respecting the appointment of auditors for national railways.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Appointment of auditors.

Mr. MacNICOL: Would the minister explain this section

Mr. CHEVRIER: Prior to the passing of The Canadian National-Canadian Pacific Act the auditors of the Canadian National Railways were appointed by the directors of that railway system. However, there was provision made in section 13 of the act I have mentioned that the auditors be appointed by joint resolution of the Senate and the House of Commons. Since 1932 it has been found that the practice was cumbersome and the appointment of auditors is now carried out by passing a bill which sets out that notwithstanding the provisions of section 13, which contains the provisions I have referred to, the appointment of auditors shall be made. It is sought by this bill to appoint George A. Touche and Company—whose offices are in Montreal and Toronto, with head office in Toronto—for the year 1946. The bill is the same as it has been in past years, certainly as it was in 1945.

Mr. NICHOLSON: How many years has this firm audited the accounts, and for how many years have the accounts been audited by other firms?

Mr. CHEVRIER: The accounts of the Canadian National Railways have been audited by the firm of George A. Touche and Company since 1924, with but one exception, the year 1935, when the firm of Clarkson, Gordon and Company were appointed auditors.

Mr. MacNICOL: What is the meaning of the reference to the Canadian National-Canadian Pacific Act? We do not name auditors for the Canadian Pacific, do we?

Mr. CHEVRIER: No, we do not. That is the act which was passed in 1932, and one of its sections took away from the board of directors of the Canadian National Railways the power which they had to appoint auditors and gave it to parliament.

Mr. NICHOLSON: What is the annual remuneration?

Mr. CHEVRIER: A total of $51,800. Of this amount, $50,000 is for auditing the books of Canadian National Railways and $1,800 for auditing the books of Trans-Canada Air Lines.

Section agreed to.

Bill reported, read the third time and passed.

[Mr. Chevrier.]

EXPLOSIVES ACT

AMENDMENTS TO MEET PRESENT-DAY REQUIREMENTS

Hon. J. A. GLEN (Minister of Mines and Resources) moved the second reading of bill No. 16, respecting the manufacture, testing, sale, storage and importation of explosives.

He said: The Explosives Act of Canada, 1914, chapter 31, was introduced in 1911 and passed by parliament on June 12, 1914, under the Honourable Mr. Coderre, but its proclamation was deferred until after the war of 1914-18. The act is based upon the British act of 1875, which is the general basis of the explosives acts of South Africa, Australia, New Zealand, Belgium and other countries. It has not been changed in any respect since 1920, the year in which it was proclamed, save for the general revision of Canadian statutes in 1927.

Revision of the Explosives Act has been under consideration for some time and a revision has now been prepared by the Department of Justice in consultation with officers of the mines and geology branch. The amendments proposed are largely minor in nature, and are the results of, first, experience in the administration of the act, and second, administrative changes in the department.

Five important changes have been made. First, the governor in council will have authority to make regulations respecting the sale of explosives; second, provision is made for forfeiture to the crown of any unauthorized explosive in respect of which a conviction has been obtained; third, an inspector may seize and detain an explosive which he believes is not authorized; fourth, the minister will have authority to seize and destroy abandoned or deteriorated explosives which have become a public danger; fifth, servants of the crown, excepting the Department of National Defence, are to be brought within the application of the act.

During the twenty-five years of operation the act has proved its value and demonstrated the desirability of having control over explosives which may be put on the market and of regulating the conditions with regard to safety under which explosives are manufactured and stored. Regulations for the more effective application of the act were made. These deal with such matters as the classification of explosives and the testing and examination before being declared an authorized explosive. The effect has been beneficial, and in their administration manufacturers of explosives have given excellent cooperation, with

the result that quality and uniformity of explosives have undoubtedly improved to the advantage of the user.

The quantity of explosives manufactured yearly has increased steadily. Production of commercial explosives in 1919, the year preceding the proclamation of the act, was slightly over twenty-one million pounds; the greatest production was in 1940 when it totalled over eighty-four million pounds, a four-fold increase. Despite the great increase in production the number of accidents has shown a steady decline. Entire freedom from accident can scarcely be looked for in any industry; still less so in the one which involves the risks which are ever present to those engaged in work of explosives, but much can and is being done to reduce the known hazards.

Rules for factories and magazines and regulations for the packing and transportation of explosives, otherwise than by railway, were made under authority of the act. Rules, of necessity, are of a general nature intended to apply to explosives plants of various kinds manufacturing different types of explosives, but their object is primarily intended to express what is recognized to be good practice in the manufacture, storage and handling of explosives.

By order in council P.C. 191/1365 of fourteenth June, 1932, all officers, non-commissioned officers and constables of the Royal Canadian Mounted Police, while serving on that force, are appointed deputy inspectors of explosives without pay. Members of the force have rendered valuable assistance in the administration of the Explosives Act in many sections of Canada, particularly in the inaccessible areas such as the Yukon and Northwest Territories.

Soon after the outbreak of war it was deemed advisable in the public interest to control the possession, sale and use of explosives. There was no authority under the Explosives Act to regulate these; consequently recourse was had to the War Measures Act under which order in council P.C. 2903, July 4, 1940, was passed. This order in council, during the years it has been in force, has proved satisfactory and has been well received by both vendors and purchasers of explosives. It has proved a useful measure to peace officers through keeping them fully informed of all purchases of explosives, with the result that sabotage by the use of commercial explosives was practically unknown in Canada during the war years.

Experience gained in administering P.C. 2903 indicates that in the interest of public safety some measure of control—not provided in the present Explosives Act—over the operations of retail dealers who store for sale small quantities of explosives should be continued in the post-war period. For this purpose the bill now being considered will restrict the sale of blasting explosives to the owner or operator of a licensed factory, licensed magazine or registered premises. The advantages of this provision from the viewpoint of public safety and administration will be:

1. All vendors will be obliged to make known their dealings in explosives.
2. Premises, other than licensed magazines, in which explosives are stored for sale will be subject to periodic inspection to ensure that the terms of the licence or certificate are being fully observed.
3. Records of sale of explosives which vendors are obliged to maintain would, as in the past, assist peace officers in the enforcement of law.

Order in council P.C. 2903 requires purchasers of explosives to obtain an explosives purchase permit. This restriction is not provided for in the revision of the act and will be discontinued when the new act is passed.

The present Explosives Act does not provide adequately for the disposal of unauthorized, abandoned, and deteriorated explosives. The bill seeks to correct this omission by providing authority, when warranted, to seize, forfeit, and dispose of unauthorized explosives and explosives which have been abandoned or have become deteriorated and a danger to the public.

To summarize, the new act continues the controls of the old act over the manufacture, testing, storage, and importation of explosives, and in addition requires that all who sell explosives shall register their premises. This bill has been before the other chamber and was passed almost without alteration. It was drawn in conjunction with the Justice department in the light of the experience gained during the war, and it is thought that in its present form it will be adequate to take care of the dangers of explosives and give added powers for the protection of the public. For these reasons, Mr. Speaker, I move the second reading of the bill.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, if the bill will achieve all that the minister has just set out, it ought to be worth while, but I understood from what he said that an act containing much of what is in this bill has been on the statute books for some time.

I rise to support any legislation or any programme at all which will strengthen the hands of whoever is charged with the control of the sale of explosives and prevent any such disaster as occurred in Toronto a week ago Sunday night. It passes my comprehension how four young lads could go into a store—I presume

on College street, Toronto, because the accident happened on College street near Clinton street—purchase powerful explosives and take them out on the street-car tracks and set them off, with the result that a young man of nineteen years of age was struck on the head with a rocket and his skull pierced, resulting in his death a few hours afterwards. I should like to read for the benefit of the members what the Toronto police said about these rockets, one of which killed this young man. I have not the date of the clipping, but it must have been about May 13 or 14 last:

Police say that the rockets, which were purchased by the boys at a nearby store, were of a powerful variety.

I should like to know how any young lads could buy such a powerful rocket. What control was there over the store in which these rockets were purchased? What control was there over the sale of these rockets to the merchant? I presume the bill will cover all that, and if it does, it will be a step in the right direction. Continuing with the clipping:

The boys laid them lengthwise on the street-car tracks, and when they were fired they shot along the groove in the rail. Some of the rockets were reported to have travelled as far as Bathurst street in this manner, a distance of five blocks.

One can picture what would have happened had anyone been in the line of fire five blocks away from where the rockets were set off. I hope that the new act will prevent the recurrence of such accidents. The article continues:

Announcing steps to prevent recurrence of such fatalities, Inspector Frank Crowe said that police officials would confer with Crown Attorney J. W. McFadden, to-day to discuss a Toronto by-law which forbids the setting off of fireworks in the city.

"A by-law regarding the exploding of fireworks is still on the books," he said. "Rockets of the type used Sunday are not playthings, but are dangerous weapons in the hands of grown-ups, let alone juveniles."

I hope that the provisions of this bill will prevent the recurrence of such a disaster. I hope that it will control the sale of powerful rockets by the manufacturer to the wholesaler, and by the wholesaler to the street merchant, and that it will prevent the street corner merchant from selling rockets to juveniles who go out and set them off on the street in this manner.

I might mention another incident which occurred near where I live. A young lad went into a store to buy some small ammunition for an air gun. The storekeeper refused to sell it to him on account of his age, and so the boy got an older person in the store to buy it for him. I hope this bill will prevent that kind of thing. Too many people are being injured through these small, supposedly harmless firearms. Certainly the firing of rockets on streets should be prevented by every means. Steps should be taken to prevent their sale to juveniles and to control their sale to merchants.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, the matter just dealt with by the hon. member for Davenport (Mr. MacNicol) was one which I had intended to bring to the attention of the house. So far as I can see, the bill, as was stated by the minister, is merely a restatement of the British Explosives Act, together with a revision of the Canadian Explosives Act, bringing it up to date and applying statutory form to the orders in council which were passed during the war.

So far as the general purport is concerned, there can be no argument. It is really a photographic copy of the original Explosives Act brought up to date in order to remedy any defects which have been revealed in practical experience. But consideration should be given to including in this bill sky-rockets and fire-crackers of the type referred to by the hon. member for Davenport. I have read over the bill and I can find in it no section which in any way would be applicable to what was mentioned by my hon. friend.

If I might be permitted, Mr. Speaker, to refer to just one section of the bill, section 2(c), which defines "explosive", it includes "fireworks, fuses, rockets, percussion caps, detonators, cartridges, ammunition of all descriptions." But in view of the use of the words and the order in which they appear I should think that fireworks, fuses, rockets, would have to do in general with fireworks, fuses and rockets similar in action to percussion caps, detonators, cartridges, railway track torpedoes, fuses and other signals. In other words, there is established in that section a type or a genus, which would make the section inapplicable under the circumstances detailed by the hon. member for Davenport, and I am sure it would be the wish of the house and of the minister that there should be the fullest possible control of explosives. This bill will not cover a control which is vitally necessary to-day; I refer to firearms, which are all too frequently used. It is intended to go part way, and I am sure it would be the wish of the house that it go as far as possible to prevent the recurrence of such an event as has been described and to remove from the hands of young men, too large a percentage of whom are launching on a career of crime, opportunities of securing firearms, which are not only required in

ordinary business pursuits but are part of the stock in trade of persons engaged in nefarious practices.

I have read the bill carefully and compared it with the British act and with the orders in council to which the minister made reference. I am happy to say that it gives evidence of unusual care in preparation and draftsmanship, and the other house in which it was introduced, deserves a measure of credit for the attention it has paid to the bill. May I add that this is a challenge to the commons—to the government—in any event in that much legislation of this kind which is introduced in the commons might well be initiated in the other house, where they have a great deal more leisure and more opportunities of examination. The bill as it stands shows what can be done when there is proper cooperation between the two houses of parliament. There is a care and directness in draftsmanship in the bill which is too often lacking, and it indicates the desirability of using to the limit the experience and the facilities which the other house offers for considered legislation.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 2—Definitions.

Mr. MacNICOL: I know that the minister listened to what I had to say a moment ago as to what section of the bill would control and prevent such an occurrence as that to which I have referred—the purchase and firing by juveniles of high explosive rockets.

Mr. GLEN: The hon. member for Davenport was referring to an accident which recently took place; and I have also in mind the remarks of the hon. member for Lake Centre. In section 2,

(c) "explosive" means gunpowder, blasting powder, nitroglycerine, gun-cotton, dynamite, blasting gelatine, gelignite, fulminates of mercury or of other metals, coloured fires, and every other substance made, manufactured or used with a view to produce a violent effect by explosion, or pyrotechnic effect, and includes fireworks, fuses, rockets, percussion caps, detonators, cartridges, ammunition of all descriptions, railway track torpedoes, fusees and other signals, and every other adaptation or preparation of any such substance;

I would imagine that that definition of "explosive" would cover what the hon. member for Davenport has spoken of. In the report he read I think the word "rockets" was used, and that word is included in this interpretation of "explosive". Section 4 provides that regulations shall be made "respecting the sale of explosives". Subsection 1 reads that "The Governor in Council may make regulations....(n) respecting the sale of explosives." That clause was inserted for the purpose of having some record by those who sell explosives of whom they sell to. During the war provision was made that those purchasing explosives should go to a magistrate or justice of the peace or mayor of a town in order to obtain ammunition. Exception to this was taken by a good many people throughout the country, who complained of the inconvenience they had to undergo. Sometimes it involved a journey of twenty or thirty miles. It is thought that by regulations made under this clause, which was not in the former act, provision could be made whereby those who are selling explosives will keep a record of those to whom they are selling, and of the amount sold, and thus there will be some check on the sale of explosives. I do not know whether that fully answers the question of the hon. member for Davenport, but I take it that it covers to some extent the inquiry of the hon. member for Lake Centre with regard to the sale of rockets, or of ammunition as referred to by the hon. member.

Mr. DIEFENBAKER: Is it the opinion of the law officers of the crown that section 2, subparagraph (c), and the one to which the minister just had reference, would cover a case such as was referred to by the hon. member for Davenport? If he has that assurance, then the responsibility has been discharged.

Mr. GLEN: This accident occurred so recently that I had no occasion to inquire of the law officers with regard to it, but this section was drafted for the very purpose, and contains the power to accomplish exactly what the hon. member for Davenport desires. It would cover any explosive which would create an accident, including such an accident as that to which the hon. member has referred.

Mr. DIEFENBAKER: The minister says that the clause as at present constituted was drafted to cover just such cases, among others, as mentioned by the hon. member. As a matter of fact the old section read exactly the same, and in the explanatory notes, paragraph (c), as set out, "explosive" includes fireworks, fuses, rockets, percussion caps, detonators, cartridges, and ammunition of all descriptions. The old section as it stood—and I think I am correct in this—did not cover the condition of affairs referred to by the hon. member for Davenport, and if it did not, then certainly the amendments now suggested would not cover it since those amendments merely substitute, for "fog and other signals", railway track torpedoes, fusees and other signals. That is the only alteration in that section. I would suggest that if it is the minister's wish, as

apparently it is, that this measure should cover the sale and disposal of rockets and also firecrackers of a dangerous type, a submission should be made to the law officers to ascertain whether or not, as at present constituted, the section would cover that type of thing; if not, then the committee could suggest an amendment to the section. That would not hold up the bill. An opinion could be secured very soon and I would suggest that paragraph (c) be held over until that opinion has been secured.

Mr. GLEN: There has never been any question of the department's power under the act to deal with rockets and firecrackers. No one has ever questioned the jurisdiction of the act and I would imagine it would cover exactly what the hon. member has in mind. However, as he says, I am anxious, as I am sure the committee is, to make the act as ironclad as possible, and therefore I have no objection to allowing paragraph (c) to stand until such time as I have an opportunity of discussing the point with the officers.

Mr. HAZEN: What are "fusees" in line 16? When I first read this I thought it was intended for the word "fuses", but evidently it has a meaning of its own.

Mr. GLEN: I am informed that fusees are the flares used on the railways for stopping trains.

Mr. HAZEN: The hon. member for Lake Centre referred to the words "fireworks, fuses and rockets". He suggested that they might be all of the same genus and that the word "fuses" might be limited to fuses used in connection with fireworks. Does the word "fuses" in paragraph (c) include surplus mine fuses? There are land mines and there are fuzes that have to be attached to them. Is the word "fuses" in this paragraph limited to such fuzes as are used with fireworks, or does it include fuses such as land mine fuses, or fuses used to detonate shells?

Mr. GLEN: I am informed that fuses are military explosives which are under the control of the department of defence, not the type considered in the definition of fuses here, or in the interpretation of the word "fuses".

Mr. HAZEN: Do I understand that the word is intended to include military fuses?

Mr. GLEN: No. Those are under the department of defence.

Mr. HAZEN: Under what section?

Mr. GLEN: Those are under the control of the department of defence, not under this act. Ordinary fuses that might be used on the railway would come under this act, but those that my hon. friend speaks of are under the control of the department of defence.

Mr. HAZEN: But they may not be under the control of the defence department. They might be under the control of the Department of Munitions and Supply. Section 3 states:

> This act shall apply to the possession, storing, sale or offering for sale, making, manufacture or importation of explosives by or on behalf of His Majesty in right of Canada or any province except explosives under the direction or control of the Minister of National Defence.

There may be explosives that belong to the dominion government but are not under the direction or control of the Minister of National Defence. For example, explosives may be under the control of the Department of Munitions and Supply. In that case, does the word "fuses" in line 14 of 2 (c) apply, or is that word limited to fireworks?

Mr. GLEN: I am informed that fuzes, from the military point of view, are not spelt in the same way. These fuses would cover in the last sentence what calls for "every other adaptation or preparation of any such substance". Does that meet the hon. member's point?

Mr. HAZEN: I must confess that I am a little puzzled about the matter. It might be given a little more consideration. The minister said he was going to refer this section back to the law officers and perhaps he might consider this point.

Mr. GLEN: I must say that I thought, when I read over this provision, "railway track torpedoes, fusees and other signals, and every other adaptation or preparation of any such substance", it would be wide enough to cover all that the hon. gentleman has in mind. However, we are allowing this to stand over and I will consider what he says.

Mr. HAZEN: The minister says it does not include fuzes under the control of the Department of National Defence.

Mr. GLEN: It does not apply to explosives of any kind under the charge of the Department of National Defence.

Mr. HAZEN: Then does it include explosives under the control of the Department of Munitions and Supply?

Mr. GLEN: Certainly I would say it would apply to those, unquestionably.

Mr. MacNICOL: I should like to pursue a little farther the case I mentioned a few moments ago. I understood the hon. member for Lake Centre to say he had thoroughly

read this bill. I have read it casually, but not thoroughly. He also said he had carefully read the British act, and could not find in it any clause that would cover the case I brought up. What I want to suggest to the minister is that in the preparation of the regulations, they should prevent the sort of thing that took place in Toronto a week or ten days ago, when four young lads were able to purchase very powerful explosives in the form of rockets. I believe the regulations should prevent the sale of such rockets by any wholesaler for resale to corner stores, hardware stores or anyone else, where boys or juveniles might purchase them. To the extent humanly possible will the regulations under this act prevent the producer of such high explosives from selling them to, let us say, a wholesaler, and will they prevent the wholesaler from selling them to the small corner stores which in turn will sell them to juveniles? In this case a young man, nineteen or twenty years old, with all his life before him, was killed. He was minding his own business when from down the street, some distance away, a rocket came and punctured his skull, so that he died a day or two later. If that racket had been fired by an adult I presume it would be a case of manslaughter. I do not know whether these boys should be punished, particularly, but I believe there should be some control over the sale of such powerful explosives to young lads. Will this act prevent that sort of thing?

Mr. GLEN: The hon. gentleman is referring to a newspaper report concerning an accident which apparently involved a rocket. That is covered by the interpretation clause, which includes rockets. Then the hon. member asks if there is power under the act to prevent the sale of such explosives. When we come to section 4 he will find that regulations can be made under paragraph (n) with respect to the sale of explosives, and in the making of these regulations account will be taken of what the hon. gentleman has said, in order that the sale of explosives may be as closely guarded as possible. No one, of course, can provide entirely against the possibility of accident, but there is power in the act to make rules and regulations respecting the sale of explosives. That is one of the new features of this bill as compared with previous legislation.

Mr. STIRLING: Would the minister explain exactly the position we shall be in after the passage of the bill with respect to Canadian Arsenals Limited? I do not think it can be said that Canadian Arsenals Limited will be under the direction and control of the Minister of National Defence. It will be a crown company which will produce almost all, if not all, the explosives required by the services, and I am quite doubtful whether under this act the inspectors charged with enforcing the act will have the opportunity or will be required to inspect the operations of Canadian Arsenals Limited.

Mr. GLEN: We are not dealing with that now, but still from the general point of view section 6 provides that the minister may issue licences for factories and magazines. Crown companies will have to have their licences, the same as any other institutions. Then power is given under sections 17 and following with regard to the powers of the inspectors to enter into any factory, magazine or premises where explosives may be manufactured or stored. So that I think the point raised by the hon. gentleman has been pretty well covered in these three sections, and perhaps we might deal with them when we reach them.

Mr. FRASER: Does the minister know whether the rocket which was involved in the accident in Toronto was of Canadian or Chinese manufacture? The reason I am asking is that in a store on Sparks street they have fireworks which have been manufactured in China, and I wondered if the rockets in question had been of Chinese or Canadian manufacture. Another reason I asked is that one of the largest manufacturers of fireworks on this continent, if not the largest, generally sell fireworks or rockets for large displays direct to fairs or municipalities, and they generally send out to look after those displays men who understand these fireworks and can look after them properly. I do not think our Canadian firms would sell to the general public rockets which would cause such damage.

Mr. GLEN: The information we have with regard to the rockets involved in this accident is that they were made in Canada.

Mr. FRASER: I suppose the minister does not know what size they were, whether they were half-pound, one pound or two-pound. There is another type of fireworks which is equally dangerous; what they call mortars. These fire shells weighing a pound or two, and if they are not handled by an expert the person firing them is likely to have his head blown off, because they fire instantly.

Mr. BLACK (Cumberland): As I understand the act, the minister has complete control over all explosives used in connection with mining operations. This is an important matter in Nova Scotia, since explosives are used in coal and other mining. Recently in one of the coal mines there was a complaint

that the explosives were defective, and that owing to delayed explosions the workmen were subjected to additional hazards, to such an extent that they refused to continue to work in this mine until an investigation had been made. As I follow the discussion to-day, the minister has full responsibility for the quality and handling of such explosives. Could he tell the committee the result of that investigation; whether these explosives were defective and, if not, whether reassurance was given the men working in this mine in Nova Scotia that they could return to their work in safety? We realize that coal miners and other miners are subject to great hazards in the carrying out of their work, and they ought not to be subjected to hazards arising through defective explosives or defective machinery.

Mr. GLEN: I understand the hon. member to say that an accident took place in one of the Nova Scotia mines.

Mr. BLACK (Cumberland): Owing to what was described as delayed explosives, thereby creating a hazard for coal miners which prompted them to refuse to continue operations until a thorough investigation had been made. Has the minister a report respecting such investigations, and will the men be given some reassurance?

Mr. GLEN: I am informed that the accident was never brought to the attention of the department. It will be noted that section 2 (h) describes "magazine" as:

> . . . any building, storehouse, structure or place in which any explosive is kept or stored, but does not include
>
> (i) a place at or in and for the use of a mine or quarry in a province in which provision is made by the law of such province for the efficient inspection of mines and quarries and explosives used in connection therewith.

The use of the explosives will be subject to inspection by provincial departments. In this instance I suggest it was the use of the explosives which caused the accident, a matter which would be within the jurisdiction of the province. We provide only the places in which it can be used, subject always, of course, to the jurisdiction of the provinces in that connection.

Mr. BLACK (Cumberland): I understand the minister's department assumes no responsibility for defective explosives in the hands of coal miners. The explosion to which I referred in Nova Scotia resulted in the shutting down of a mine for I do not know how many days at a time when the production of coal is required to as great an extent as has ever obtained in the history of our country

Mr. GLEN: When we reach it I shall direct the hon. member's attention particularly to section 26 in the bill which provides:

> Nothing in this act shall relieve any person of the obligation to comply with the requirements of any licence law, or other law or by-law of any province or municipality, lawfully enacted, with regard to the storage, handling, sale or other dealing with explosives, nor of any liability or penalty imposed by such law or by-law for any violation thereof.

Mr. BLACK (Cumberland): That may be all right, but I want to know if the minister and his department are responsible for defective explosives in the hands of coal miners. If the explosives were not defective, then all I ask is some reassurance of that fact. But if they were, I want to know if the minister's department is responsible for their use in this instance.

Mr. GLEN: The manufacture of explosives, under this measure, is a procedure for which the department would be responsible. The use of the explosives in a province, or in the mines of a province, would be subject to its jurisdiction, and to its laws in that connection. This department is responsible for the making or manufacture, but not for the use.

Mr. LOCKHART: Do I gather from what the minister has said that the use of explosives is entirely within the jurisdiction of provincial governments? I have in mind the use of dynamite, which is mentioned in section 2 (c) of the bill? I have in mind particularly the careless way in which dynamite is handed out by certain quarry operators to people who are using explosives for different purposes. Is there anything in the bill to restrict the handling of explosives, and dynamite in particular? I know it is handed out carelessly by some irresponsible rock-quarry operators. I brought this matter to the attention of the government during the winter. Are there any general restrictions in the bill? I am not a lawyer, and perhaps I am not qualified to interpret the bill fully, but does it contain any restrictive provisions which would bring pressure to bear upon the provinces, in the event of the use of explosives being under their jurisdiction? This is a matter which will have to be watched carefully, especially in rock quarries.

Mr. GLEN: Section 4 (1) (c) states that regulations can be made for regulating the sale, importation, packing and handling of explosives, and the transportation of explosives. But there should be concurrent legislation in the provinces dealing with the utilization of explosives, especially in mines, or in respect of anyone wishing to use them for

logging or blasting purposes. They would have to have a licence under this measure, when it becomes law.

Mr. LOCKHART: What happens if a province does not pass legislation?

Mr. GLEN: I do not think there will be any doubt as to their passing it. All the provinces will have legislation concurrent with ours, because they are seized of the duty of protecting operations of this kind.

Mr. FRASER: At the present time if one wants to obtain fifteen or twenty sticks of dynamite, complete with fuses and caps, he must have a permit. Is that under dominion or provincial jurisdiction? If it is under the dominion, does the minister intend to keep it up? I hope he does. I bought dynamite only a month ago, but before doing so I had to get permission from the police, and to tell them what I wanted it for.

Mr. GLEN: Does the hon. member suggest that there should be a permit?

Mr. FRASER: There is one at the present time. When I wanted to buy the dynamite before I had to go to the Department of Munitions and Supply. Now I need only go to the local chief of police?

Mr. GLEN: Yes.

Mr. FRASER: And is that under dominion or provincial jurisdiction?

Mr. GLEN: Dominion.

Mr. FRASER: Does the government intend to continue this procedure?

Mr. GLEN: We have the right to do it.

Mr. FRASER: Do you not think you should?

Mr. GLEN: You suggest that we should exercise that right?

Mr. FRASER: I suggest to keep it on.

Mr. GLEN: As I mentioned before, exception was taken, especially by farmers who would be going to a country store and who would have to get a permit signed by the magistrate or justice of the peace or mayor of the town. They complained bitterly about that inconvenience. We have the power to do it by regulation, and it is a matter that will receive most serious consideration when the regulations are being set up.

Mr. FRASER: Before the war there used to be twenty, thirty or perhaps forty stores in my district which sold dynamite, caps and fuses at any time to those who wanted them. At the present time there are only about two places, the quarry at Marmora and the board of works in Peterborough. Stores do not carry dynamite because they must keep it away from the store building and that costs money.

Mr. LOCKHART: The minister has laid his finger upon the exact situation. The federal government has the power to restrict this thing, but from what he said I gathered that he was not inclined to take any steps in that direction. There may have been some complaints from farmers who wanted to blow up some stumps or something, but I would point out that in certain sections of this country there are men who are dangerous and who should be dealt with by the federal authorities. The damage that might be created by these men more than outweighs any inconvenience that might be caused to some farmers. I join with the hon. member for Peterborough West who states that this is most important. There are men of a type who are hardly safe to have in our communities and they should not be allowed to get explosives, particularly dynamite, with ease. Improper use might be made of it. There are sections of the country where the subversive element is certainly not growing any weaker. I think some hon. members have seen the development of certain activities and I plead with the minister to keep a close watch over this situation. If there is federal jurisdiction, I urge him to use it and not consider just the complaints of a farmer or two, even though they are bitter. With all due respect for what the minister says, I submit that this is flirting with something that might prove very damaging.

Mr. FRASER: Flirting with dynamite.

Mr. LOCKHART: It is flirting with dynamite, as the hon. member says. I urge the minister to retain the restrictions and not allow this to become the free and easy matter that it was before the war.

Mr. GLEN: I was discussing that very point this morning and, as the hon. member has said, I am aware of the dangers that might be incurred. I assure him that I will give the matter the consideration it deserves.

Mr. BLACKMORE: While the minister is giving this matter consideration, I should like to raise something else for his consideration and the consideration of the hon. gentlemen who have just spoken. Do they suppose for one minute that there are not in the city of Toronto and in the government of Ontario men who are just as desirous of seeing public safety cared for as anyone in Ottawa?

Mr. FRASER: Perhaps more so at the present time.

Mr. BLACKMORE: Do they imagine that the city of Toronto is not as able to pass by-laws governing the sale of these dangerous explosives as is Ottawa? Do they imagine that the city of Toronto officials are not capable of doing this? There is a tendency, altogether too strong, to centralize power. That is not good. When the hon. member for Davenport read the account of this serious accident in Toronto it was well that he read also the statement that the city officials had taken action. Those officials do not need Ottawa to pass laws. They are just as much interested in the welfare of humanity as ever we can be. The fathers of confederation placed power in their hands and responsibilities on their shoulders for doing that very thing. I just wish to raise that for the consideration of the hon. member.

I consider the minister very wise to have been circumspect in connection with this matter and for having wondered whether or not it was necessary for Ottawa to do all the governing in Canada with respect to explosives. Let us not forget that the farther you get your government away from the people, the more you destroy democracy. The hon. member pointed out that matters were free and easy before the war. Did he hear of any serious accidents like that one in Toronto?

Mr. FRASER: Yes, I have heard of them.

Mr. BLACKMORE: I am just wondering if we shall not hear of serious accidents after this legislation has been made as iron-clad as it is possible to make it. That accident was not caused by the fact that there was no iron-clad act in Ottawa; it was simply due to the human elements that enter into all relations. It has been my experience that where an accident of that sort takes place the local authorities are quite capable of adopting measures to deal with all such occurrences and to make provision against their recurrence.

Let us be careful about centralization. It is an easy matter to centralize power but it is very difficult to decentralize it and get it back into the hands of the people. All through the thousand years or more of our history we have been struggling to keep our power decentralized. Let us not in a period of hysteria brought on by a terrible war and rumours of communism and other dire threats forget the poise, balance and judgment which we inherited from our fathers who have gone before us.

Mr. FRASER: I am not going to talk for a thousand years or anything of that kind; I simply want to point out that the provinces have not the right to deal with this problem. Even if they had, anyone living on the border between two provinces could simply go into the other province. A man in Ontario could cross over into Quebec, purchase dynamite, and bring it back into Ontario. There is nothing to stop that. The dominion government have the right, and they are using that right, to regulate this matter. I am simply asking that there be some system of permits. If the dominion government is not going to do it, the provinces should. Perhaps the hon. member has tried to spank me, but I do not stay spanked very long.

Mr. BLACKMORE: If I were going to spank the hon. member I would spank him so that he would stay spanked. I was not criticizing particularly what the hon. member had to say; I was merely pointing out the danger of the tendency to centralization that is evident in the world to-day. There is not only centralization of power in Ottawa; it is going on to centralization in Geneva or Timbuktu where the people cannot possibly get at it.

This is an important point. I am not pronouncing whether the province has authority to deal with explosives or not, but obviously from what the hon. member for Davenport read, the city of Toronto considered that it had power to deal with the matter.

Mr. FRASER: That was fireworks.

Mr. BLACKMORE: They are a form of explosives.

Mr. FRASER: They have not been dealt with.

Mr. BLACKMORE: Then let them be dealt with. I am sure that they will be dealt with in Toronto and in other cities of Ontario and in other parts of Canada. But this parliament need not undertake to do everything for all the governments in Canada, for there are intelligent men in other government bodies.

Mr. FRASER: We acknowledge that.

Mr. BRACKEN: I was not in the chamber when the minister made his statement on the bill. I understand that it comes from the other house and that, therefore, there will not be a disposition to take as much time on it here as we otherwise would. Did the minister explain to the house the work which was put in on this bill in the other place? Did it receive mature consideration there? If the minister has already covered that point, perhaps he would restate it.

Mr. GLEN: The bill was introduced in the other chamber, with a short explanation on

the first reading and a discussion on the second reading, and then almost a whole afternoon was spent in considering the different sections of the bill. The result of this study is the bill now before us.

Mr. BRACKEN: Where was the bill prepared? Is it a government measure?

Mr. GLEN: Yes; it was prepared by the Department of Justice.

Mr. HAZEN: How many inspectors are employed under the act at the present time, and what does it cost in the course of a year to administer the act? I have the estimates for 1947 but I cannot find any item covering inspectors.

Mr. GLEN: It is under Mines and Geology.

Mr. HAZEN: Yes, I see now that there is an item of $29,500. How many inspectors and sub-inspectors are working under the act at the present time?

Mr. GLEN: We have a chief inspector, two inspectors and one chemist in the permanent establishment; and the clerical permanent staff includes one grade IV clerk, one grade II clerk, one stenographer grade II and one typist grade II. The temporary establishment includes three inspectors and a clerical staff consisting of two grade III clerks, three grade II clerks, three grade II stenographers, four grade II typists and one grade I-A typist. The Royal Canadian Mounted Police also serves voluntarily in connection with this work extensively throughout the dominion.

Mr. HAZEN: I see by the details that there is one chief inspector, and two inspectors of explosives.

Mr. GLEN: We have a chief inspector, two inspectors and one chemist in the permanent establishment.

Section agreed to.

On section 3—Explosives to which act applies.

Mr. STIRLING: May we take up on this section the question I raised as to whether it is quite clear that the crown company, Canadian Arsenals Limited, will by this measure be under the inspection, indeed the jurisdiction, of the Minister of Mines and Resources?

Mr. GLEN: The bill when it comes into force will apply to all crown companies not under the control of the Department of National Defence, which will be subject to inspection under this measure.

Mr. STIRLING: So that the situation will be entirely altered in the future. In the past, before the war, the dominion arsenal was under the control of the Minister of National Defence, and inspection took place within it only by his authority. Canadian Arsenals Limited, which will be very much larger in scope than the dominion arsenal, will by this measure be under the jurisdiction of the Minister of Mines and Resources, so far as the inspection of the arsenal is concerned?

Mr. GLEN: Section 3 says:

> This act shall apply to the possession, storing, sale or offering for sale, making, manufacture or importation of explosives by or on behalf of His Majesty in right of Canada or any province except explosives under the direction or control of the Minister of National Defence.

The exception there is "explosives under the direction of the Minister of National Defence." I presume, therefore, that inspection of the arsenal would be under the direction of the Minister of National Defence if it is under his control.

Mr. HAZEN: This section applies to the possession, storing, sale or offering for sale, making, manufacture or importation of explosives. But there is another factor, and that is the disposal of explosives. Why should this measure not apply also to the disposal of explosives? There are at the present time, I believe, a good many surplus explosives in this country. Should not control over them be in the minister's hands just as much as control over the possession, storing, sale or offering for sale, making or manufacturing of explosives?

I do not want at the present time to go into details of the case I have in mind, but the disposal of explosives should be very carefully handled in order to prevent injury to civilians. Although I have not had an opportunity of giving this bill any particular study, it seems to me that the disposal of surplus explosives might very well be included in the measure. Is there any reason why the disposal of surplus explosives should not come under this bill? Why should not that be inserted in section 3?

Mr. GLEN: I would take it that "possession, storing, sale or offering for sale" would cover the point the hon. gentleman raises, because that is the only way in which explosives can be disposed of except by destruction. If it were deteriorating and a danger to the community, there is power taken later in the bill to deal with such conditions. That, it seems to me, would cover the point raised by the hon. member—"sale or offering for sale".

Mr. HAZEN: I am not referring to explosives which are sold or offered for sale; I refer to explosives which are being disposed of as surplus by the government. There are in this country to-day explosives which will be disposed of as surplus; there are explosives which have been disposed of as surplus, and in some instances, through negligence on somebody's part, they have caused injury to Canadian citizens for which the government does not want to assume responsibility. As I say, I am not as familiar as the minister is with this bill, but it might be well if the "disposal" of these surplus munitions and explosives were included in this bill, in the interests of the citizens of this country.

Mr. GLEN: Of course the hon. member will realize that under this bill there is power taken to make regulations which will cover anything dealing with the disposal of surplus such as the hon. member speaks of. What he is referring to is equipment and surplus munitions, and explosives which are unused and not likely to be used and therefore might be declared surplus. These go to the War Assets Corporation, which as a corporation would be subject to the provisions of this bill in the same way as anybody else would be. However, we might come to this later when we are dealing with the appropriate section.

Mr. HAZEN: I thought it would come under section 3, although I may be wrong; as I say, I do not profess to be familiar with this bill. The minister said that he would further consider section 2, paragraph (c). I wonder if it might not be advisable to give some consideration to the point I have raised concerning section 3, as to the disposal of surplus explosives. The question is this: should the word "disposal" be included in that section?

Mr. MacNICOL: Would the minister be disposed, if to do so would not infringe upon provincial authority, to have someone in his department inquire into the matter which I brought up, namely as to how that merchant obtained possession for sale of high explosive rockets to children?

Mr. GLEN: Power is taken under this bill to cause inquiry to be made into any accident of the nature spoken of.

Mr. HAZEN: Does the minister think this measure should not apply to the disposal of surplus munitions and surplus explosives? I think I am entitled to an answer to that question.

Mr. GLEN: The reason this section was put into the bill was in the light of the case of King versus LeBlanc, of which the hon. member may have a more intimate knowledge than I, a case decided by Chief Justice Hazen in the Supreme Court of New Brunswick. The defendant was charged with negligence in the operation of explosives, and on appeal before the chief justice it was held that he was not within the purview of the provisions of the Explosives Act as it then stood. To correct that omission we have placed this section in the bill, making all parties, even the crown and its employees, liable for any act of negligence under this measure. That is the whole reason why it was put in the bill. The sale, disposal and deterioration of surpluses are covered in subsequent sections.

Section agreed to.

On section 4—Regulations.

The CHAIRMAN: Section carried.

Mr. MacNICOL: Before this section 4 is carried I have a question to ask. I wish to compliment you, Mr. Chairman, on the able way you are putting the sections through; it shows great ability. I used to do the same thing myself when, in the old days, I was sitting where you are now. I did not allow anything to hang before the committee any longer than I could avoid. But now that I am in the opposition I have another duty to perform. As regards subsection 1, paragraph (d), "for holding inquiries into any accident caused by explosives," I would ask if the department would feel disposed to make an inquiry into the sale of rockets in Toronto, some ten days or two weeks ago, as the case may be, through which, a week ago last Sunday, a young man was killed on or near College and Clinton streets, Toronto, through the explosion of a rocket.

Mr. GLEN: My officer informs me that the matter at the moment is in the hands of the municipal police, but he will take such steps as the hon. gentleman suggests, in conjunction with the municipal police, for the holding of an inquiry such as the hon. member suggests, to find out exactly what took place.

Mr. MacNICOL: That is quite satisfactory. The matter would, I think, come under paragraph (h), enabling regulations to be made "for the safety of the public."

Mr. HAZEN: May I ask the minister if he held any inquiry into an accidental explosion at Lorneville, New Brunswick, in January of this year?

Mr. GLEN: No; no inquiry was made.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7—Certificate to store.

Mr. MacNICOL: Under this section would the department or someone authorized by the department be enabled to inquire whether such a store as must have sold these high explosive rockets was a fit place to store them?

Mr. GLEN: Under this section a certificate will only be issued to any person permitting the storing for sale of explosives on such premises and in such quantity as the minister may determine.

Mr. MacNICOL: That would apply to a retail store, would it not?

Mr. GLEN: These would be what we call registered premises, and the certificate would have to be issued by the minister, who would have to be satisfied as to the suitability of the premises and also as to the quantity which might be allowed to be stored in that store.

Section agreed to.

Sections 8 to 18 inclusive agreed to.

On section 19—Minister may direct inquiry.

Mr. MacNICOL: In the event of an accident such as that which caused the recent lamentable death of a young man in Toronto, this section could be put into operation?

Mr. GLEN: Yes.

Section agreed to.

Sections 20 to 28 inclusive agreed to.

On section 29—Repeal.

Mr. HAZEN: Will the minister tell me the sections of the bill that have to do with the disposal of explosives? He said that as we went through the bill we would come to those sections.

Mr. GLEN: The hon. member will find that the regulations under section 4 are extensive. I cannot imagine anything that has not been included in them. I have gone over them carefully with the officers, and they assure me that the regulations provide all the power necessary for governing the sale of explosives, the taking of them, the procedure to be followed, the construction and management of premises, the safety of the public, and so forth. The sale and disposal of explosives would be covered by the regulations. The bill provides for forfeiture, where officers have the power of inspection and can enter premises. Under section 18 the officers can go into premises and take samples of explosives, open and examine them and may require the owners to give evidence with respect to such samples, and later, on conviction, the explosives can be forfeited by the crown and destroyed or sold in the discretion of the crown. The hon. gentleman is worried about the word "disposal" and the word "sale".

Mr. HAZEN: Not so much "sale" as "disposal".

Mr. GLEN: I think the word "sale" will cover exactly what he has in mind. Sale will include disposal, and the word "disposal" will not add to the strength of it.

Mr. HAZEN: If a department of government decides to dispose of surplus explosives, I do not think that by any stretch of the imagination that can be called a sale. It should come under this measure.

Mr. GLEN: By giving it away or destroying it?

Mr. HAZEN: Not by giving it away but by destroying it—disposing of it in the sense of destroying it so that it will not cause injury to anyone.

Mr. GLEN: Under section 27, where a conviction is obtained, the explosives are forfeit to the crown and may be destroyed or otherwise disposed of, as may be thought fit. I think it covers handling from first to last; the officers assure me that the matter has been fully considered and they are quite satisfied.

Mr. HAZEN: Section 27 does not cover the case I have in mind. I do not want to labour the matter but I submit that it is not covered in the bill.

Mr. IRVINE: What would happen to surplus bombs in the hands of War Assets Corporation?

Mr. GLEN: They are subject to the jurisdiction of this measure if there is any danger to the public in storage or handling.

Mr. MacINNIS: This matter was discussed briefly in the house either on a question or in some other way during the last session, or perhaps during this session. Certain explosives were disposed of by the Royal Canadian Air Force by being dumped into the ocean, but they were not dumped far enough out, so that when the tide went out some youngsters went out and picked up some of the explosives. Some of the children were injured.

Section agreed to.

Section 1 agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

On section 2—Definitions.

Mr. GLEN: The hon. member for Lake Centre asked: Is it the opinion of the law officers of the crown that section 2 (c) and section 4 would cover a case such as that referred to by the hon. member for Davenport? During the recess this point was discussed with the officers of the justice department, as well as the deputy minister, who expressed the opinion that the bill as drafted would include and cover the kind of explosive used in the instance referred to by the hon. member for Davenport. The technical officers of the department were also consulted, and they are satisfied that this provision fully covers the case mentioned by the hon. gentleman. The hon. member for Lake Centre stated that if the Department of Justice approved it, he was satisfied.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

NATIONAL PARKS

ADJUSTMENT OF BOUNDARIES IN RESPECT OF CERTAIN SMALL AREAS

The house resumed consideration in committee of bill No. 63, respecting the boundaries of certain national parks—Mr. Glen—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: When this bill was before the committee of the whole previously all the sections were carried, and the committee was considering the title.

On the title.

Mr. GLEN: The hon. member for Dauphin, the hon. member for Calgary West and I think the hon. member for Mackenzie asked questions with regard to the purchase of additional land for the Banff national park. The small parcels of land being added comprise (a) approximately 210 acres at the eastern gateway. This was transferred to the dominion by the province by P.C. 714-333 dated September 12, 1933. The original order in council was registered in the south Alberta land titles office at Calgary. Duplicate certificates of title Nos. 47X181 and 47X182 were received covering the parcels of land in question. These were dated October 31, 1933. I might say that one duplicate certificate of title covered those parts of the north half of section 13 and the northeast quarter of section 14, township 25, range 11, west of the 5th meridian, lying southeast of the then park boundary. The other covered the portion of the Banff-Calgary road lying within the above area.

(b) The second area in question comprises one-sixth of a square mile in the Spray river valley. A plan of this area and an explanation of the necessity for a change in the boundary at this point was prepared by Mr. Cautley, the department's representative, who in co-operation with the provincial representative decided upon the final park boundaries as revised in 1930. The province has formally approved of the plan of survey which included the area in the park. This means that the land was transferred to the dominion by the province at no cost.

The other question asked by the hon. member for Dauphin dealt with the portions of land added to the Riding Mountain national park in Manitoba. There were four different parcels of land added to the park immediately to the south of the present townsite of Wasagaming. Two of these areas were expropriated, namely, the northeast quarter of section 24, township 19, range 19, west of the principal meridian, the owner of which was Walter E. Dean. The other was the northwest quarter of section 19, township 19, range 18, west of the principal meridian, the owner of which was R. J. Pollen. The purchase price of the northeast quarter of section 24 was $2,400 plus $232.77 interest on this amount, making a total cost of $2,632.77 for that quarter section. For the northwest quarter of section 19 the purchase price was fixed at $2,200.

The following areas were transferred to the dominion by the province: the south half and south half of the north half of section 29, township 19, range 18, west of the principal meridian, comprising 480 acres, and the southeast quarter of section 30, township 19, range 18, west of the principal meridian. These were transferred by the province to the dominion without cost. These make up the total of the 960 acres which have been added to the park; and, in addition, the province transferred the official road allowances lying between the above-mentioned sections.

I think that completes the answers to the questions asked by hon. members.

Mr. ZAPLITNY: I understand that there was an interest charge of $232.77 in the case of one of the purchases. Would the minister tell us how this interest came to accumulate?

Mr. GLEN: The land was expropriated; the price was fixed by the court and interest of $232.77 was allowed. That is the information I have. That makes up the 960 acres,

and there are three acres more, which probably would be the road allowances which were given over by the provinces.

Then the hon. member for Peterborough West asked a question with regard to Beausoleil island. The Navy League of Canada, dominion council, have a licence of occupation of 3·25 acres. The period runs for twenty-one years from April 1, 1942. They pay $1 a year, and the licence is renewable at the end of that period.

Mr. ZAPLITNY: I am not clear about this $232, which I understand is for interest. Just how did that accumulate? It is interest on what, for what period of time?

Mr. GLEN: I have not complete information. All I have is that the expropriation award fixed the purchase price at $2,400 plus interest of $232.77 on that amount, making the total cost of that northwest quarter $2,632.77. That was in 1934, when the award was made.

Mr. ZAPLITNY: What was the date of the expropriation of the land.

Mr. GLEN: For the northeast quarter of section 24 it was May 8, 1934, and for the northwest quarter of section 19 it was March 29.

Mr. ZAPLITNY: And the date of payment was also 1934?

Mr. GLEN: Yes, I presume it was.

Mr. ZAPLITNY: I note that there is $232 in interest. How did it accumulate?

Mr. GLEN: I have no information, other than that we might have been in possession under expropriation proceedings, and that may be interest on the purchase money to the date when it was paid.

Mr. WEBB: I note that the explanatory note to schedule E reads:

> Mallorytown landing park
> One of St. Lawrence islands parks
> . . . The provincial government secured and transferred to the dominion a small area adjoining the park in compensation for the area taken up by the right of way for the highway.

I take it that this roadway went through part of the old park, and that in lieu of that the provincial government bought land by way of compensation. I should like to have that confirmed, and also the date of the transaction.

Mr. GLEN: It was made in 1938. Mallorytown landing park was transferred to the dominion by the Mallory estate, with the proviso that the area was to be used for national park purposes only. It comprises a small area facing on the St. Lawrence river directly south of the town of Mallorytown. The new four-lane highway passed through there and took up a considerable portion of the area. To compensate for this the provincial government acquired an additional area on the river front and transferred it to the dominion government as an addition to this park. It is this small area secured from the province that we now wish added to the park.

Mr. WEBB: It did not cost the federal government anything?

Mr. GLEN: No.

Title agreed to.

Bill reported, read the third time and passed.

OPIUM AND NARCOTIC DRUG ACT

PROVISION FOR MORE EFFECTIVE CONTROL—STRINGENT REGULATION IN SUPPLY OF MORPHINE AND OPIUM

Hon. BROOKE CLAXTON (Minister of National Health and Welfare) moved the second reading of bill No. 29, to amend the Opium and Narcotic Drug Act, 1929.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—"Department."

Mr. STIRLING: Would the minister be good enough to make a general statement respecting this bill?

Mr. CLAXTON: Mr. Chairman, this bill comes from the senate. When it was in the other place it was referred to the standing committee on health and welfare, where it received consideration.

Sections 1, 2 and 7 of the bill make a simple change in the name of the department, to conform to the creation of the Department of Health and Welfare, which took place as of October 13, 1944.

Section 3 replaces the word "distributes" by the word "administers", and I believe the explanatory note covers the point sufficiently.

Sections 4, 5, 6, 8 and 9 carry into the Opium and Narcotic Drug Act of 1929 provisions which were made effective by P.C. 4769 of June 10, 1943, P.C. 6227 of August 8, 1944, and P.C. 7096 of November 27, 1945. The effect of these is to make the control of narcotics more effective in Canada and also to carry into our peace-time legislation provisions found necessary and desirable during the war. We explain these by saying that during the war the supply situation in connection with

narcotics presented many difficulties and, in order to conserve our supplies, which were short, and to secure more effective control, it became desirable to make changes in the laws by orders in council under the War Measures Act.

The changes which were made were to make the supply of drugs as defined in the act subject to prescription, and the other controls exercised under section 5 of the act effective without the same exceptions there had been been under section 8. Under section 8 of the Opium and Narcotic Drug Act, 1929, there was an exception under which it was possible for retail druggists to distribute small quantities of drugs, including morphine and opium, without prescription. During the war that exception was eliminated. The only relaxation to that exception since the war is that the only quantities of drugs which can be distributed without prescription are drugs containing small quantities of codeine.

That exception has been carried into effect in the bill. Consequently the bill substantially carries into effect the war-time provisions so as to effect a more stringent regulation in the supply of drugs such as morphine and opium. The changes are largely technical. They were made after consultation with the Dominion Council of Health and the advisory committee of the Canadian Medical association, both of which recommended them to the department. The only suggestion that we went too far came from one provincial medical association. We answered them, and since then we have received no word that anyone thought we were not doing the right thing.

Mr. HACKETT: I must confess that I have not had an opportunity of examining the bill very carefully, but there is one type of offence which is becoming too numerous, cases in which possession alone—without any proof of criminal intent—constitutes the offence. Are there any such in this bill?

Mr. CLAXTON: This bill does not make any change whatever in the situation regarding possible crimes, except for the amendment proposed to section 4 where the word "distributes" is to be replaced by the word "administers" in the case of administration or distribution of drugs to minors.

Mr. REID: Has any consideration been given to limiting the quantity of drugs which may be held by a druggist? During the past three, four and five years it seems to have been quite an easy thing for those who wanted drugs to break into a drug store or the office of a chemist and obtain them. Where do these druggists get the drugs? One could not avoid noting the many burglaries that have taken place during the past few years since opium and other drugs have been harder to obtain. It seems to have been easy for many of these people to break in the back door of some chemist's store and get away with a quantity of these drugs.

Mr. CLAXTON: The wholesalers who may have drugs are licensed under the act, and at the present time there are 123 wholesalers licensed in Canada. A careful audit is made of the drugs they hold and they take precautions themselves in order to preserve their licensed position. The type of offence described by the hon. member for New Westminster decreased in number in 1945 as compared with 1944. I can assure the hon. member and the committee that the utmost care is taken to see that drugs are not made available in greater quantities than are likely to be required by the wholesalers. Another factor in ensuring close control is the very short supply position with regard to these drugs.

Mr. REID: Are there any restrictions as to the quantity of drugs that a druggist can obtain? We know that a strict watch is kept on what he does with them, but I should like to know if there is any restriction on the quantity that he can obtain from the wholesaler.

Mr. CLAXTON: The quantity which the wholesaler is allowed to have in his possession which is based upon the past experience as to the quantity he needs to meet his requirements. The department is exercising strict control to prevent any large accumulation of drugs.

Mr. BLAIR: How much marihuana is produced in Canada and what quantity can be carried by a druggist?

Mr. CLAXTON: None is manufactured and none can be carried by a druggist. Some, but not very much, is used. The quantity of all drugs used by addicts, if that is what the hon. member has in mind, has gone down considerably, and the number of addicts has also gone down considerably. We do not produce any drugs in Canada, except possibly a small quantity synthetically.

Mr. BLAIR: Section 6 of the bill refers to section 15 of the act.

Mr. CLAXTON: Section 6 of the bill does not refer to heroin.

Mr. BLAIR: It is marihuana, not heroin. The explanatory note reads:

Involves the addition of paragraph (g) of section 4, relative to the cultivation or production of the opium popper or cannabis (marihuana)

to the subsections in relation to which the burden of proof of possession of a licence is placed upon the accused.

Mr. CLAXTON: I would prefer to deal with that when we come to section 6.

Section agreed to.

Section 2 and 3 agreed to.

On section 4—Preparations excepted.

Mr. BLAIR: What is the object in making the restriction apply to one-eighth of a grain of codeine? That does not amount to very much; it does not do very much good, nor does it do very much harm.

Mr. CLAXTON: The effect of this is that a druggist or physician can supply a drug as defined in the act only under a prescription, except that—and this is the only exception:

4. (a) any retail druggist may have in possession or may sell or distribute preparations containing one-eighth grain or less of codeine per tablet or other solid form—

And so on. This permits a druggist to sell tablets containing one-eighth of a grain or less of codeine without a prescription.

Section agreed to.

Section 5 agreed to.

On section 6—Onus of proof on charge of importing, exporting, manufacturing, selling, etc., without licence.

Mr. HACKETT: This is one of the offences of the type to which I made reference when I asked the minister if the ordinary rules of criminal procedure were being modified by the bill. I notice that section 6 introduces a change by imposing on the accused the obligation of proving that he has a licence. Is there some good reason for departing from the ordinary rules that obtain in criminal courts? There are some cases, as I have indicated to the minister, the number of which is increasing too rapidly, in which mere possession is taken as proof of guilt. In those cases the accused must disinculpate himself or be found guilty. The ordinary rule is reversed. Is there any reason for its reversal in this case?

Mr. CLAXTON: In my explanation I should have mentioned this as being a change in the law relative to the proof of offences. We can see no reason why anyone should have opium poppy, cannabis sativa or marihuana in his possession legally unless he can show that he has a licence for it. We believe that the mere possession of these articles indicates that the person has them illegally unless he can show that he has them legally. This undoubtedly does, as the hon. member for Stanstead suggests, shift the burden of proof, but it is believed that in matters relating to the drug traffic these drugs are in the same position as morphine and opium, which have already been dealt with in this way, and for the best protection of the public and for the suppression of the traffic in these drugs, we believe the law should be changed by including these two drugs with the others.

Mr. BLAIR: Will the minister read paragraph (g) of section 4 of the act?

Mr. CLAXTON: Section 4, paragraph (g) reads:

Every person who

(g) cultivates, gathers or produces any opium poppy (papaver somniferum) or cannabis sativa, except under the authority of a licence from the minister first had and obtained shall be guilty of an offence—

—and shall be liable to the punishment provided for by this section.

Mr. SMITH (Calgary West): I have said so often in times gone by that I believe the rules of proof should not be altered, but in connection with narcotics I am absolutely in favour of what the minister suggests, and that is the only exception I make. I say that after a long experience and knowing what this sort of thing does. So far as I am concerned I shall support the minister and the government in every way I can, even throwing aside all our rules, to try to kill this traffic. I do not know how many members of this house know people who are addicted to the use of drugs. We hear of this institution and that institution which have made cures. Frankly I do not know of one who ever became an addict and has been cured. I make this exception to my broad rule, because I consider that this is in defence of weak people. You can study addiction to drugs all you like. But what happens is just this, and let us not blame doctors and hospitals, for I have taken it myself four times a day during a period of several months. It is escapism. That is the only reason why anyone takes it. Once you have got into the picture you are through. We know that when it was easier to get cocaine you put a little on your fingernail and snuffed it through your nose. There are many kinds of drugs but they are all taken for the same reason, and I will go with this government or any other government and break all the rules on account of the wrecks that I have personally seen—and, Mr. Chairman, they do not come back. So that I am heartily with the minister, breaking all my broad rules in the administration of justice for this one thing and this one thing only. People who are addicted to narcotics are entitled to our pity; there is no other word to use for

them. To avoid their becoming addicts I go all the way with the minister in this or any other measure he cares to introduce into the house for this purpose.

Mr. BLAIR: Heroin is the most dangerous of all the drugs and I notice that the minister is still permitting its use.

Mr. CLAXTON: We have retained it because of the advice of leading maternity hospitals and obstetricians as to its use in connection with childbirth. That is the only reason why it has been kept in use in Canada. The supply of these drugs to Canada has had to come from outside, and it might be necessary to maintain some drugs which are less desirable than others in order to ensure that the volume necessary for legitimate use is maintained.

Section agreed to.

On section 7—Judge to grant writ of assistance.

Mr. SMITH (Calgary West): What does this mean? What is a writ of assistance?

Mr. CLAXTON: The only change made by this clause is in section 22 of the act to substitute for the words "Pensions and National Health" the words "National Health and Welfare." It simply changes the names of the departments in accordance with the creation of the new department.

Mr. SMITH (Calgary West): What does it mean by that? You have your narcotics squad. Such an officer has a general authority which permits him to do something, and you are merely making a change in the nomenclature of the department; is that all?

Mr. CLAXTON: That is so.

Section agreed to.

Section 8 agreed to.

The CHAIRMAN: Section 9, "schedule amended", agreed to.

Mr. SMITH (Calgary West): Now, "gently, brother; gently, pray."

The CHAIRMAN: I hope that no hon. member thinks the Chairman is trying to rush the bill through.

Some hon. MEMBERS: Oh, no.

The CHAIRMAN: As I read the section I asked if it was carried. If there are any questions, then I expect hon. members to speak. I assure all hon. gentlemen that I shall not endeavour to rush this bill or any other bill through this committee.

[Mr. A. L. Smith.]

Mr. SMITH (Calgary West): May I assure you, Mr. Chairman, that I did not think you were trying to rush the bill through, but may I also assure you that you were going a lot faster than I was able to keep up with you. That is my only difficulty.

The CHAIRMAN: Section 9—Schedule amended.

Mr. HACKETT: Will the minister say what paragraph 7 of the schedule is?

Mr. CLAXTON: If desired, I will read it all!

Mr. HACKETT: Will the minister read paragraph 7 of the schedule?

Mr. CLAXTON: It would not improve the information of the committee or increase my reputation for being almost a doctor practising without a licence. The only change, I understand, which is made in the schedule is that paragraph 9 of the schedule, as it was, which reads—

> Any plant of any description whatsoever, whether dried or otherwise, which contains morphine, or any part of any such plant, excepting the seed of the poppy plant.

—has been omitted from the schedule to the act, also, from part II of the schedule, apomorphine, codeine, and its salts; and dihydrocodeinone and paracodeine have been included in the schedule; and the schedule is no longer divided into parts I and II.

Mr. SMITH (Calgary West): Would the minister mind looking at the tenth line from the bottom of the page, and then will he read it to the committee and explain what it means?

Mr. HACKETT: Why does he not begin at paragraph 7? My difficulty begins a little earlier; the hon. member for Calgary West is more erudite than I.

Mr. CLAXTON: The word to which the hon. member for Calgary West refers is acetyldihydrocodeinone. Acedicone is the shorter name for it. The next one, which goes on for almost a line, is acetyldemethylodihydrothebaine, which I understand is a derivative of the first; it has the same short name.

Some hon. MEMBERS: Oh, oh.

Mr. CLAXTON: The short name for both is acedicone. It might be a great help to all of us if our professional people would translate these words, but apparently they are accustomed to their jargon, and I suppose it is a good thing.

Mr. SMITH (Calgary West): I thought it was a law of England prohibiting marriage between first cousins.

Mr. BRACKEN: I do not think we should pass any sections the words of which the minister cannot pronounce.

Mr. CLAXTON: Oh, he has done his best.

Section agreed to.

On the title.

Mr. FLEMING: I wonder if there is not an oversight in the bill. Under section 3 we have dealt with an amendment of section 4 of the act, but actually the amendment which the committee has approved is an amendment of section 4, subsection 1, paragraph (e) of the act of 1929. Now it happens that section 4, paragraph (f) also contains this same word "distributes"; the language is almost the same as that of paragraph (e). I wonder if it was by intent that section 4, paragraph (f) is not to be amended in like manner as section 4, paragraph (e). Section 4, paragraph (e) reads:

Every person who

(e) unlawfully sells, gives away or distributes any drug to any minor . . .

Paragraph (f) reads:

(f) manufactures, sells, gives away or distributes any drug . . .

And so on. We have the word "distributes" in (f) as well as in (e). We have amended it in (e) only to substitute the word "administers" for "distributes". Would the minister indicate why we are not contemplating a similar amendment of section 4, subsection 1, paragraph (f).

Mr. CLAXTON: The two clauses are designedly different. In the present act, section 4, subsection 1, paragraph (e) reads:

Every person who

(e) unlawfully sells, gives away or distributes any drug to any minor;

In the case of Rex versus Marino and Yipp, 56 Canadian Criminal Cases, page 139, the supreme court, speaking through Chief Justice Anglin, held that in order to constitute a "distribution" within the meaning of paragraph (f) it was necessary for more than one act to take place. There could not be a distribution within the meaning of the act unless there had been more than one delivery of a drug to the person who received it. When we considered the act in the light of war-time experience and in the light of that decision we considered it desirable to change the provision with regard to selling, giving away or distributing any drug to any minor so to make the offence one of "administering" drugs to any minor, because it was almost inconceivable that there should be a repeated delivery of drugs to a minor. We thought the one administration of a drug to a minor was sufficient to constitute an offence, and a very serious offence too. This, therefore, led us to propose in this bill the substitution of the word "administers" for the word "distributes" in paragraph (e), but to leave the provision in paragraph (f) as it was.

Mr. FLEMING: I follow the minister's explanation as to the change in section 4, subsection 1 (e); I think it is quite in line with the decision he refers to in Rex versus Marino and Yipp. I understand that decision was based on section 4, subsection 1 (e) not on section 4 subsection 1 (f). I am not quite clear yet, if I may say so, as to the reason why we are not making a corresponding change in section 4, subsection 1 (f). The language is the same in the two clauses. In paragraph (e) it is "sells, gives away or distributes"; in paragraph (f) it is "manufactures, sells, gives away or distributes" any drug.

Mr. HACKETT: To a minor.

Mr. CLAXTON: The offence which was involved in the case of Rex versus Marino and Yipp was an offence charged under paragraph (f) of subsection 1 of section 4, and the language of (f) is quite suitable for an offence charged in connection with the distribution of drugs to someone other than a minor. Section 4, subsection 1 (f) reads:

Every person who manufactures, sells, gives away, delivers or distributes or makes any offer in respect of any drug or any substance . . .

And so on. That seems to be quite suitable language with respect to an offence in connection with delivery and so on to an adult, but in order to strengthen the law governing delivery of any drug to a minor we propose to substitute the word "administers" for the word "distributes" in (e).

Mr. FLEMING: Does not the minister consider it proper to insert the word "administers" in section 4, 1 (f)? Then we should have it both ways, covering the manufacture, sale, giving away, administration or distribution, and we should strengthen the section greatly. Would it not be wise to insert the word "administers" after the words "gives away"?

Mr. CLAXTON: The officer of the department charged with the administration of the act says that there has never been a case in which the necessity for such a change has arisen, and we, I understand, have had cases in which we found it difficult, if not impossible, to prove an offence under section 4, (1) (e) with regard to a minor because of lack of the language I suggest should be adopted. We have not had any such case under 4, (1) (f).

Mr. BLAIR: When the minister refers to drugs he means narcotics?

Mr. CLAXTON: Yes. The Opium and Narcotic Drug Act, 1929, as amended in 1932, defines "drugs" as follows, in Section 2 (d):

"Drug" means and includes any substance, mentioned in the schedule to this act whether or not the same be produced in whole or in part by a synthetic process, and whether it be alone or in conjunction with any other substance mentioned in the schedule to this act, or which may be added to such schedule under the authority of this act.

Then we have the schedule which is revised under this bill and which is tied in to the act, and it defines drugs as narcotics, opium, coca leaf, and so on.

Section agreed to.

Bill reported, read the third time and passed.

ROYAL CANADIAN AIR FORCE ACT

PROVISION FOR AIR CADET SQUADRONS

Hon. COLIN GIBSON (Minister of National Defence for Air) moved the second reading of bill No. 57, to amend the Royal Canadian Air Force Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. STIRLING: Will the minister give a general statement?

Mr. GIBSON (Hamilton West): The purpose of the bill is to make provision under the Royal Canadian Air Force Act for the continuation of the Royal Canadian Air Force cadet squadrons which were first formed during the war in 1940 by order in council under the War Measures Act. It now becomes necessary, if they are to be continued, to make provision for them under the act.

In this connection the committee will be interested to know that in the short space of six years during which they have been operating the air cadets have built up an excellent reputation for themselves. The air cadet squadrons are operated under the control and jurisdiction of the air cadet league, and a great deal of credit is owing to the members of the air cadet league, the provincial committees, and the members in the various municipalities throughout Canada who have sponsored the air cadet squadrons. They have raised funds provincially and locally to provide for these squadrons, and the success of the air cadet movement is due largely to the tremendous amount of work done by members of the air cadet league in sponsoring and supporting the various air cadet squadrons.

During the war we had 400 squadrons in operation in Canada. At present there are 289 squadrons active with an enrolment of something over 23,000 air cadets. It is now proposed to provide for them so that we shall continue to have the air cadets as part of the cadet system of the country, very much as the army cadets have been provided for heretofore under the terms of the Militia Act.

Mr. STIRLING: Do I understand from the minister that the air cadet corps operates directly under the Royal Canadian Air Force and that, while the air cadet league is a useful help and auxiliary to it, it is not necessary for the league to exist in order that the cause should succeed?

Mr. GIBSON (Hamilton West): No; it is almost the opposite. The air cadet league is responsible for these cadet squadrons, but the bill before the committee permits the Royal Canadian Air Force to make provision for training and a certain amount of financial assistance is required to operate these squadrons. The air cadet league itself also raises money from the public to provide for some of the expenses of maintaining these squadrons. No squadrons can become air cadet squadrons unless they have been approved by the Minister of National Defence for Air. Also a syllabus of training is drawn up by the Department of National Defence for Air. There is the closest liaison between the air department and the air cadet league, and when any matters arise that need adjustment they are settled by consultation between the department and the league.

Mr. SKEY: Mr. Chairman, as one who has had something to do with the air cadet movement in Canada I should like to say that I am heartily in support of this bill which carries into the peace a movement which was efficient, which gave young men good training and which imbued them with the ideals of the service. In my opinion there are many who should be thanked for their splendid services in building up this great corps. There are the directors of the air cadet league and the provincial committees, with particular reference to the provinces of Ontario and British Columbia, and I am sure the government will be glad to know that the government of Ontario have made provision for the continuation of this splendid service through the appointment of Air Commodore O'Brien, an ex-R.C.A.F. auxiliary officer, who gave service overseas in this war and who now continues to serve the air force through his connection with the Ontario government. In addition, there are many schools, many schoolteachers, many air cadet officers and the sponsors, whom

the minister has already mentioned in connection with the local committees. Then there are so many others of the general public who gave generously of their finances, their time and their personal efforts to this corps. I would not like to overlook at this time the many men in the permanent establishment of the R.C.A.F., and those who served with it in war time, who have been unsparing in their time and trouble. I have in mind one particular case; that is, the men in the training branch of the Royal Canadian Air Force, who have done a splendid job in preparing a completely new syllabus of instruction for the air cadets.

Last year at this time I had the honour of inspecting three air cadet squadrons in the city of Toronto. That took place during the election, from which I was glad to take a little time, and I was indeed impressed with the efficiency and discipline of these young men. At this time I should like to say I feel that the grants of money which will be given by the country to these air cadet squadrons will be repaid tenfold in citizenship in the years to come. I hope there will never be any argument or quibbling in this house over these grants, particularly at a time like this when we all see the danger of juvenile delinquency which was exemplified in an unfortunate case only the other day, when four young men were condemned to prison for the shooting of a man in the city of Toronto. I feel that any money we can put into such things as the air cadet movement will be for the good of the country and to our own advantage in time to come.

Mr. KNIGHT: If I understood the minister aright, there is to be a diminution in the number of squadrons from 400 to something like 289. Would the minister give us the reason for this reduction? My experience in an institution with which I had something to do was that when the chance of becoming airmen disappeared, a good deal of enthusiasm for the air cadet corps also disappeared. When the war was practically won and the air force gave notice that no more of these boys would be accepted into the regular force, we noticed a tremendous lessening of enthusiasm. I was wondering to what extent that lack of enthusiasm exists in the squadrons remaining, and to what extent air cadet training may be in a sense compulsory in certain of the schools or institutions which still carry it on.

Mr. GIBSON (Hamilton West): During the war it was considered advisable to start air cadet squadrons in many centres throughout Canada. Experience has shown, however, that while many squadrons have done well, others have not flourished, and to keep up the standard that the air force wishes to maintain throughout the country it is considered better to have fewer and better squadrons rather than to try to have a large number of squadrons, many of which would be inefficient. At the same time, as hon. members know, the air force has been cut down from a peak of over 200,000 to something over 16,000. Too many air cadets would mean that only a very small percentage could be absorbed into the permanent and auxiliary air force. We look forward to having many boys who have trained in the air cadet squadrons come into the permanent and auxiliary forces and I am glad to say that, of the new recruits who have enlisted recently, I am informed that approximately one-third received their early training in the air cadet squadrons. So that we prefer to have a smaller number of squadrons, and have them all good. As hon. members will see in the bill, the age limit is from fifteen to eighteen, which provides for boys taking a fairly advanced course which has been laid out for them. When they have finished that course they will then be in line to go into either the regular air force or one of the auxiliary squadrons.

Mr. SKEY: Does the service contemplate assisting the air cadets with actual air instruction at summer camps, or anything of that kind?

Mr. GIBSON (Hamilton West): I do not want to make any definite commitment on that yet, because the matter is still receiving consideration by the air force and the air cadet league. It is hoped, however, that a certain number of the top-notch cadets, as a sort of prize, will be permitted to obtain some instruction in actual flying. But while cadets at summer camps are given familiarization flights—that is, they are taken up in the air—that does not mean they are all taught to handle a plane. It is hoped, however, that a few of them will be able to secure that instruction.

Mr. SKEY: Do the minister's remarks include gliding instruction as well?

Mr. GIBSON (Hamilton West): It is a little too early to say what steps will be taken in regard to gliding. I know that subject has been receiving careful consideration by the air cadet league, and quite a long report has been put in by the subcommittee which has been looking into the matter.

Mr. McIVOR: I believe the minister is to be commended for putting these air cadets on a solid footing. I well remember that after the last war anything pertaining to military

training was tabooed by schoolboards, students in universities and so on, as teaching war. I do not know how a group of boys could be better trained than in an air cadet squadron. We have one at the head of the lakes, and we are extremely proud of it. If you keep a boy busy with good things the police will not even know that he exists. Putting this force on a permanent basis, is, I think, a good thing; and while they are not liable to service in an emergency that does not mean they are barred. As I look at it, that just means they are not compelled to serve. I heartily commend the minister for having taken this step.

Mr. McKAY: Would the minister care to indicate whether any preference is given at the present time to air cadets who would like to enlist in the Royal Canadian Air Force? According to a recent newspaper item, I believe there is some little difficulty in getting men for groundcrews. I do not know how accurate that statement is, but the minister might indicate whether or not the boys who graduate from the courses in our high schools along air cadet lines receive preference over other boys who had no such training.

Mr. GIBSON (Hamilton West): I can say that the training they received has made them more valuable than those who have not had the training. As I said, approximately a third of those who have already enlisted are boys who have had senior air cadet training in air cadet squadrons.

Mr. STEPHENSON: In the smaller towns of around 6,000 population, such as the one from which I come, air cadet corps were sponsored during the war. Also in those towns are found sea cadet and army cadet corps. They were operating at sixes, there not being enough to make one good corps in any one of them.

To-day the situation is the same. We have the air cadet corps and the army cadet corps, and it is now being decided whether the air cadet corps will carry on. Does the minister offer any solution of that problem, or will they be formed only in the larger centres?

Mr. GIBSON (Hamilton West): The plan of the air cadets league is to allocate squadrons, having a certain quota for each province. I am glad that the question in connection with the multiplicity of squadrons has been mentioned. That is a condition which grew up out of the war. We have a joint interdepartmental committee on cadets, including army, navy and air. I am anxious to have that committee work out many details which will arise, such as the pay which should be given to the various units, the regulations concerning uniforms, instructors and the like, so that the support which the government provides for the various cadet corps will be as uniform as possible throughout the three services. When that committee meets questions such as those respecting three squadrons in one small community could be ironed out, with a view to having only one squadron instead of three allocated to that community.

Mr. McKAY: Does the minister not believe some inducement should be held out to the boys who are taking air cadet training? That is one of the reasons I asked whether they received preference over other boys who might wish to join the regular Royal Canadian Air Force. I believe this is an important point. I was air cadet liaison officer for some time in the air force. The boys asked time and again whether or not they would get preference, but I could not hold out any hope. If some inducement were given them they would go after the training much more wholeheartedly.

Mr. GIBSON (Hamilton West): Toward the end of the war the air force stopped recruiting, and it was most discouraging for air cadets who had joined the cadet squadrons, hoping thereby to get into the air force, to find that all entry into that force was closed off because of a cessation of recruiting.

That condition, of course, does not exist to-day. Any air cadet who is fit and efficient —certainly at the present time, while recruiting is going on—can count upon his being accepted. I am sure he would be accepted, so long as he is physically and mentally fit for enlistment.

Mr. LENNARD: I assure the minister I am in favour of his bill, but there is one point I should like to draw to his attention. I feel that air cadet training officers are being penalized. I know of one air cadet training officer who during 1945 attended a two weeks' course in the month of March, and then in the summer attended twelve days at camp with the boys. On both occasions he received pay and allowances but, as hon. members know, those payments do not compensate one for out-of-pocket expenses. Any cadet training officer has his hand continually in his pocket for this, that and the other thing. However, this officer, after having attended the course and camp, and having received pay and allowances, found, when he went to pay his income tax, that the pay and allowances received placed him in a higher category, with the result that he had to pay a penalty of $50. This was all the thanks he

got for having performed that very fine work in the cadet corps. Surely this is a matter which should be considered carefully.

Mr. FERGUSON: The work accomplished for the youth of our country by the army, naval and air cadet corps is vital. In one of the towns of my constituency we have a naval cadet corps. The boys in that corps are definitely being kept off the streets. The reduction in our juvenile delinquency is marked, owing to the activity of the navy league in that community. But they are trying to carry on in an old Y.M.C.A. building.

In the past, governments have been prone to neglect the erection of armouries for army personnel in communities. In our community the volunteers meet once a week, and the officers meet three times in their mess, possibly enjoying a drink. But the building in which they meet looks like a gaol. It is an eyesore, and quite unfit for the purpose to which it is being put. It contains no swimming pool, no gymnasium, or anything of the kind.

I suggest that the Minister of National Defence for Air, in conjunction with the minister for the army and naval services, consider seriously aiding communities in the erection of armouries, or buildings adequate to house these military units. There should be gymnasiums and swimming pools where both boys and girls in the community could assemble on different nights. Let them develop their bodies and they will develop their minds. Never has a greater development of youth been more necessary in Canada, after the trials and tribulations of the war, after watching the suffering of the older people and watching the struggles through which they have gone.

I suggest that the minister and his colleague should get into communication with the various communities. I can assure him that the town in my community would be willing to contribute any reasonable amount, in conjunction with the government, for the erection of such a building, where youth could assemble and keep off the streets.

The improvement brought about by the activities of the navy league in our community is striking. I saw the boys who had been carrying out their training. Last week, when a presentation of the bell from the corvette *Collingwood* was made, I saw the boys who have been carrying out this training. Their discipline was perfect, every movement the movement of veterans. But those chaps had learned those drills in a room only twenty feet by thirty-five feet.

There is no accommodation in the town for the young girls. If the minister were to train a cadet corps in our community, I am wondering where they would assemble. They are barred from the collegiate and the schools. The playgrounds are quite inadequate and not fit for the children to play on.

It behooves the government to go into the matter carefully with all communities across the country so as to arrive at something which will benefit our boys and girls, and give them what they need.

Mr. McKAY: I do not know to what minister I should direct the suggestion I have in mind in connection with Boy Scout work and its association with the air cadets. As I pointed out a moment ago, we find that Boy Scouts make the most apt air cadets of all. They have had good training in citizenship and physical culture, and I think some cognizance should be taken by the government of the activities of this organization. I understand that at the present time it receives an appropriation of $5,000 for the whole dominion.

Mr. MACKENZIE: Is my hon. friend referring to the National Physical Fitness Act?

Mr. McKAY: That is right.

Mr. MACKENZIE: The total grant is $250,000 by the dominion government, on a fifty-fifty basis with the provinces. Up to the present time seven out of nine provinces are taking part.

Mr. McKAY: Is that the appropriation for Boy Scout work?

Mr. MACKENZIE: For youth organizations of all kinds throughout Canada.

Mr. McKAY: Is that one of the organizations you have referred to? I understood the appropriation was $5,000 and I do not think it is enough.

Mr. ILSLEY: The grant to the Boy Scouts is $9,000.

Mr. WEBB: I am fully in accord with the principles of this bill, but I should like to clear up the matter which was brought up by the hon. member for Durham. We have the army cadets, the navy cadets and the air cadets, and in smaller communities there is a possibility of friction, of one organization taking members from the other. Whose responsibility is it to settle a matter of this kind when there are not enough boys to carry on the three services?

Mr. GIBSON (Hamilton West): It would come under the air cadet league itself, and also the navy league. What happens in a great many centres is that some organization such as the Lions club, the Rotary club or some other

club sponsors a squadron. If they should be sucessful in raising a good squadron of approximately fifty boys it would be continued. If there were two or three cadet units in a community, all of which were under strength and competing with each other, I think the authorities would get together and decide which would be continued. Neither the navy league nor the air cadet league nor the army want to have inefficient squadrons that are under strength and not pulling their own weight.

Mr. LENNARD: As I understand it, a branch of the sea cadets cannot be set up in a small community until it has the sanction of the navy league headquarters in Ottawa.

Mr. SMITH (Calgary West): I am in support of the bill, but for different reasons from those of most people. I am heartily in favour of it because of the discipline upon our youth which measures such as this impose. Many people blame the delinquency of our youth upon conditions of home life, and many other excuses are made. I have an idea that there are some bad boys, and this was exemplified in Toronto the other day when four boys ranging from fifteen to twenty-one years of age went out and murdered an old chap who had built himself a little business. They were found guilty of manslaughter and two of them were sentenced to gaol for fifteen years, the other two receiving a sentence of twenty years each. The excuse for this was bad home conditions and no opportunity for employment. Everybody knows that since the war started six years ago there has been a shortage of man-power and there is no reason why anyone should not find employment. An old fellow by the name of Tobias is dead and his murderers are jitterbugging in Toronto gaol and laughing at the administration of justice because the sob-sisters have finally accomplished their purposes.

Mr. SKEY: Is the number of corps and the number of personnel that can be enlisted limited?

Mr. GIBSON (Hamilton West): We have had discussions with the air cadet league and they have come to the conclusion that they should endeavour to maintain approximately 200 squadrons with a personnel of 15,000 all told. This would mean the squadrons would range from fifty up.

Mr. FERGUSON: May I ask the Minister of Veterans Affairs if I am correct in understanding that we are spending $9,000 on the Boy Scouts this year?

[Mr. C. W. G. Gibson.]

Mr. ILSLEY: It was the Minister of Finance who said that. The grant for the Boy Scouts for many years has been $9,000, and it is $9,000 this year.

Mr. FERGUSON: When I was advocating the erection of a building to accommodate the youth of our country I had in mind the burden that might be imposed upon our taxpayers. I am now told that we grant $9,000 to the Boy Scouts organization to build up our youth. I find that this government is spending $25,000 to distribute a French and English dictionary to the members of parliament of this country. I think the government had better stop that and do a little more for the Boy Scouts.

(Translation):

Mr. LESAGE: Mr. Chairman, I do not wish to contradict my hon. friend, but I claim that the federal government's responsibility is much more involved in the field of education of our people for the purpose of ensuring a better comprehension of the rights of the minority, by some, and the rights of the majority, by others, than in a field which is the exclusive responsibility of the provincial governments.

(Text):

If my hon. friend does not understand me it proves that we need to spend $25,000 for dictionaries, and perhaps that is not enough.

Mr. FERGUSON: Mr. Chairman—

The CHAIRMAN: Order. The committee is considering bill No. 57, to amend the Royal Canadian Air Force Act. I would remind hon. members of the committee that when the house is in committee, according to standing order 58, subsection 2, all discussion must be strictly relevant to the matter under discussion.

Mr. FERGUSON: No person could learn English or French from the dictionary to which I referred. It is a political dictionary.

Mr. FRASER: Has the minister been able to secure from War Assets Corporation or from his department any equipment for the air cadets that would help to keep them interested in their work?

Mr. GIBSON: The Royal Canadian Air Force supplies the air cadet squadrons with a great deal of, if not with all the equipment that they use in their instructional work, as well as the arms with which they are trained.

Mr. FRASER: I am thinking of the aeroplane instruments, engines and one thing and another like that which they should have so that they can see what they will have to work with later on.

Mr. GIBSON (Hamilton West): These are not provided from War Assets but direct from the air force. Equipment required by the air

cadets is supplied, if available, by the air force, which turns it over rather than declaring it surplus to War Assets.

Mr. LOCKHART: What provision is being made to assist in air force training in the schools? There is a lot of equipment available that would be acceptable to the schools. What is the government's policy as to assisting in that work?

Mr. GIBSON (Hamilton West): The provision of equipment to technical schools is an entirely different matter. This bill is dealing only with the formation of air cadet corps, and it does not cover the supplying of equipment to educational institutions.

Mr. LOCKHART: Some of the schools have in mind that their educational courses will lead to air cadet work, hoping that the boys will eventually become air-minded. They will at least have the fundamentals, and it is expected that many of the boys will want to go into the air cadets. I have heard that thought expressed several times.

Mr. SKEY: The minister has said that at present the government envisage a maximum of 15,000 air cadets. Will they be evenly distributed across the country? The province of Quebec had some most efficient corps in the war, ably trained, and there were also some in the maritimes, Ontario, the prairie provinces and British Columbia. I believe there are now more than 12,000 air cadets in Ontario alone, so that Ontario and British Columbia would absorb the whole quota which the minister mentioned.

Mr. GIBSON (Hamilton West): The air cadet squadrons will be distributed on the same basis as now through all the provinces. Prince Edward Island may have more squadrons. I think they have one now, and that number will probably be increased. That is a matter which is being worked out with the air cadet league, but no definite decision has been reached.

Mr. SKEY: The departments of education of the various provinces have to know how many corps they can put into the various schools. Every provincial department of education requires to know how many air cadets it can have and how many schools it can put them into, if the minister intends to have squadrons in the public schools.

Mr. GIBSON (Hamilton West): A great many squadrons will carry on as they have in the past. Some squadrons which have not been functioning up to the proper degree of efficiency may be disbanded. We had 400 squadrons at the peak during the war. A great many of them have folded up for one reason or another. We have only 289 at the present time. Many of these squadrons had both senior and junior cadets. When you eliminate the juniors it does not leave enough seniors in some squadrons to make it worth while to carry on the squadrons with the few seniors available.

Mr. KNIGHT: Is it necessary that these be designated as air force squadrons or air force cadets? I was interested in the suggestion made by several members that these various squadrons should be grouped together. There is no particular need, as far as I can see, to give specialized training to boys of that age either in air force, army or navy work. One solution of the problem suggested in the town I come from was that the only way a cadet force could be carried on was to put the three divisions together. We could have a cadet corps in connection with high school work and we need not give them particularly specialized training. In the event of war these boys would have had some military training and they could then join special branches. But for the purpose of that discipline which has been mentioned by hon. gentlemen to my right and for the purpose of promoting citizenship, or merely for the negative purpose of keeping the boys off the street, a combined corps is just as good, and it has not some of the objections which a military organization has in the minds of a good many people.

Mr. BLACKMORE: I wish to commend the minister for the idea of having a cadet corps, but I believe that this plan is not nearly comprehensive enough. I do not really see why it should be necessary to cut down the number of squadrons in order to improve their quality. I gathered from what the minister said that he would rather have a few squadrons and have them exceptionally good. I am not able to see why we should not have a large number of squadrons and have them all good. I believe the motivation must be at fault.

The idea which seems to be in the minds of those who are organizing this cadet movement is that the boys shall be prepared to go into the permanent force. I do not believe that is the basis upon which we should proceed. There should be the ideal of being prepared. I do not wish to say any harsh thing, but it looks to me almost as though the minister's was a policy of defeatism. All we need to do is to get the hints that are dropped of the colossal and systematic preparations which are being made in a certain country to realize that if we should ever become involved with a nation like that one, no small air force will be in any way adequate to the

situation. I believe that we should start right now to teach our boys and girls and our people throughout the country that we are living in the most dangerous time that has ever existed in the history of this nation or this race. All our boys and girls throughout our schools everywhere ought to be taught definitely that we have never yet acknowledged publicly in this country what are the causes of war. No one in this government since I have been here has ever breathed a word concerning the real causes of war, and no member of the opposition since I have been here has ever said a word concerning the real causes of war. The result is that people are being deluded into thinking that all we need to remove war is a sufficiently powerful united nations organization.

So long as the causes of war are not publicly acknowledged and so long as nothing is done to remove those causes of war, we are in danger of an outbreak of war any week from now on, and the people ought to know that. Every person in public life with responsibility ought to tell them that. If the boys and girls were told that in the schools and were given to understand that it is their duty to prepare for war if it comes, it seems to me that we would have a motivation which would encourage a very large percentage of our boys to enter training for the services. It ought to be made perfectly clear to them that the next war will be a war of instants, a war of minutes. There will not be any possibility of holding the foe back of any Maginot line or any other line or behind any ocean while we commence three or four years of preparation to make up for what we have lost. If we are not thoroughly prepared when the enemy strikes the next time, the first battle will be the last. Our boys ought to be taught that: they are the ones who are going to suffer; why should they not be told the truth? They ought to know also that the next war will be a global war; it will be global war from the very first move. Canada will be in the front line; Canada will be a theatre of actual conflict. That is the most certain conclusion that the ablest thinkers in military matters are able to arrive at to-day.

Why not tell the boys and girls about this? Why not say to them, "Boys, you cannot afford to be unprepared when the time of decision comes." Everyone in this country ought to be ready for immediate action until such time as the causes of war, the great, fundamental, economic, inevitable causes of war are discovered and provision is made for removing them.

So I think that for the minister to speak as modestly as he is doing, about an air force of only 16,000, is for him to undershoot the mark a great deal. I am convinced that the minister feels that way himself, and I would not be surprised if he had wondered whether the house would accept favourably his offering even at this rate. Perhaps he is happily surprised to find that we are all with him. But what we are looking for is bold, aggressive, determined, adequate leadership to make this country ready to perform its part in whatever conflict may arise. That, I would say, is the main motivation which should be used for the boys, not the idea that when they are finished with the cadet training they should be able to go into the permanent force. That is not what they are going into it for, not by any manner of means. I believe that every school from coast to coast in this country should be making provision for the training of boys for the services into which they may have to go any day.

There is another basis of motivation about which I should like to have heard something but, as far as I know, the minister did not mention it. I wonder whether provision has been made for summer camps in the various provinces, so that cadet groups can go to those camps and spend a month or six weeks there.

Mr. GIBSON (Hamilton West): Yes; it is planned that they will go to summer camps for two weeks.

Mr. BLACKMORE: That is a proper motivation, and the provision of proficiency cups and shields will give another incentive for the boys to go in and do their best. So that we ought to have no difficulty at all, I would suppose, in getting all the boys we can use, and we certainly ought not to have any difficulty in using all the boys that come forward. All the boys in the country should be welcomed and encouraged to be trained.

I was thinking, just before I commenced to speak, along these lines: if we are to have only 16,000 air cadets, or 16,000 in the permanent air force, is that somewhere near all we shall have in the naval force, and is that somewhere near all we are to have in the army? If that is so, obviously our permanent force is going to be far too small. I am not a specialist in this subject, but these are considerations which are passing through my mind. I wonder whether the minister is entirely wise in saying that he is thinking about cutting down the number of cadet groups, in order to raise the efficiency.

Mr. GIBSON (Hamilton West): There is no figure in the legislation. That is the basis we are working on with the air cadet league. They are prepared to sponsor that number of

cadets at the present time, but there is no limitation on the number of air cadets that may be taken on by agreement between the league and the department. But of course the air cadet league itself must sponsor the various squadrons, and the Minister of National Defence for Air must authorize the squadrons before they are formed. The suggestion that all cadets that are taken in are expected to go into the permanent force is, of course, not sound, in view of the fact that the cadets will only be in the air cadet corps for approximately three years each. That would be, with 15,000, five thousand coming out each year, and obviously the regular force could not absorb that number if they all wanted to enlist. But it is hoped that a large number will go into the auxiliary squadrons.

Mr. BLACKMORE: That is why I think that the more general approach as regards the air cadets in order to qualify for the air force is fallacious, that the boys should never be enrolled in the cadet corps with the idea that they are to qualify for the permanent air force.

Mr. GIBSON (Hamilton West): I did not say they were enrolled for that purpose; I said it would give them perference for the air force if they wished to enlist.

Mr. BLACKMORE: I wonder if I have gathered this right. The impression I have is that the department is remaining more or less passive and in the background and is waiting for the air cadet league to take the initiative. That is, the air cadet league decides that it wants to have another cadet group; it asks the department for permission to have one, and the department gives its consent. Is that the general procedure?

Mr. GIBSON (Hamilton West): No; they are far more closely integrated than that, because, after all, the major expenditures on this whole air cadet movement are defrayed by the Department of National Defence for Air. Consequently the control is in the department, for it has to supply a considerable portion of the funds, a great part of the arms and equipment, and, to some extent, the clothing. So that there is close cooperation between the two. But certainly the matter of finance must always be considered in connection with authorizing unlimited numbers of squadrons.

Mr. BLACKMORE: There is no question that the matter of finance must be considered. I grant that; we are not doubting that for a minute. But if we were to plunge into war in six weeks' time we would forget finance immediately. That must impress on every hon. member the fact that in the last analysis finance has to be the servant and not the master. What I would like the minister to make quite clear is, just what is the relation between the department and the air cadet league? Does the department organize the air cadet league? Does it motivate it? Does it initiate its action? How does the air cadet league come to take its part?

Mr. GIBSON (Hamilton West): I thought I had pointed that out at the opening of my remarks to-night. The air cadet league is an organization with a charter established for the purpose of forming and operating air cadet squadrons.

Mr. BLACKMORE: Who formed it? And who keeps it going?

Mr. GIBSON (Hamilton West): It is a chartered organization. It has a national charter to form and operate air cadet squadrons.

Mr. BLACKMORE: Is it a civilian organization?

Mr. GIBSON (Hamilton West): It is a civilian organization, yes.

Mr. BLACKMORE: Well, that is just the point I cannot get the logic out of. Is the air cadet movement in Canada to depend entirely on the air cadet league? I do not see who originates the air cadet league and what keeps it going and what connection there is between the department and the league.

Mr. GIBSON (Hamilton West): The air cadet league forms these squadrons. There are also civilian organizations in the various centres with civilian boards in centres such as Montreal, Toronto, Hamilton, Winnipeg and other places, and these civilian organizations get behind the groups of boys who are formed into squadrons. They assist the squadrons, and in addition to the local sponsors there are provincial air cadet organizations that operate under the air cadet league. The league executive is at the top. They have provincial organizations and local organizations, and the local organizations have arranged for sponsors for various squadrons in these localities. These are all provided by civilian effort and they raise funds from civilian sources to assist the squadrons for which they are responsible. The Royal Canadian Air Force also assists in providing pay for instructors as well as grants and capitation fees to the boys according to the numbers in the squadrons. Various other grants are also given for clothing, bands and so forth, and funds are provided

for summer camps. In addition, the officers attached to the squadrons are paid by the Royal Canadian Air Force. But the organization that sponsors these squadrons is entirely civilian.

Mr. BOUCHER: The same question is likely to arise in the discussion of the army and navy cadets. It seems to me that it is a privilege for any boy to be able to join any of these cadet corps. Many of the boys will want to join, and I believe that the opinion of the country has changed considerably in comparison with the pre-war antagonism to cadet training. To-day people realize that such training can do a great deal of good for the youth of Canada, whether it be in promoting physical fitness, in distilling discipline, or in making these boys potential members of the armed forces. This being the case, many of us in the house would like to have from the government an enunciation of policy generally so far as youth training is concerned whether in connection with air cadets or army cadets or sea cadets. I do not think it should be left entirely to a voluntary organization to solicit the minister's permission to form a squadron here or a unit there. The smaller schools in the urban and rural areas, as well as those in the big cities, should have the privilege of establishing cadet classes. In some towns there are cadets in connection with all three forces, but no doubt there are many towns that are without cadet training for any of the forces.

I can remember when I was going to school we had an army cadet class and I was proud to belong to it, but it developed just before the war that public opinion was to a great extent opposed to cadet training in schools. I believe, however, that public opinion has changed vastly, and the government can give some leadership by announcing its policy as to whether it feels that, in the interests of peace and for the sake of the health and welfare of our youth, as well as for the benefit of the whole country at large, these cadet classes should be encouraged throughout the country generally and not be left merely to promotion by voluntary organizations. I would ask the minister to give us some insight into the government's position in this matter with regard to cadet training in his department as well as in the other two departments of national defence. Can he not go farther than he has indicated to-night in assisting this important movement?

Mr. GIBSON (Hamilton West): I would not wish to say that the Royal Canadian Air Force or any of the defence departments are responsible for youth training in a general way or from the point of view of what might be considered part of the health and welfare of the nation. We are defence departments, and it is the responsibility of these departments to provide some preliminary training to the youth of the country in defence matters so that they will be qualified to join the defence forces when they become of age to enlist. Better results have been secured, not in having every boy put into the defence force, but by having units with a waiting list of boys who are keen to get in. Far better results are obtained in that way than by having a unit into which every boy automatically enters, where he parades on the day of inspection and perhaps not again throughout the entire season. In that case morale is low and so is efficiency. Consequently, we find it preferable to keep the numbers limited to boys who are keen to stay in. That has produced and is producing the best results.

Mr. BOUCHER: Is the minister interested only in getting boys to join the force in so far as they may be potential members of a permanent force? Is there not a broader outlook than that?

Mr. GIBSON (Hamilton West): As I have pointed out, we could not take them all into the permanent force if we wanted to. We are responsible for giving preliminary defence training to those boys who come into these cadet squadrons, and they are available to go into some of the forces, permanent or auxiliary; or if they are called upon later, they will have had valuable preliminary training.

Mr. BOUCHER: Why not have a sufficient number so that you can pick what you require.

Mr. MACKENZIE: If I may interrupt for a moment, we had thought that this bill was disposed of some time ago, seeing that every hon. gentleman in the house was in favour of it, and we were anxious to get into supply. If, however, there is a disposition to debate the bill for any length of time we shall have to move the committee out of the present stage.

Mr. BENTLEY: I wanted to say a word or two on this subject because I think the bill is a good one. The boys that join these corps can learn a good deal apart from academic training. It is a voluntary organization, and I think the minister's idea is a good one, of making it something that boys who are keen to join will want to get into, instead of having everyone automatically in it. I believe in the idea of affording these boys scope for personal ambition.

I would not have risen to speak had we not listened to what, in my opinion, was a most unfortunate speech. I am sorry that the hon.

member for Lethbridge (Mr. Blackmore) is not in his seat at the moment. He said that since he has been a member of this house—and he has been here longer than I have—he has never heard anyone give a clear explanation of the fundamental causes of war. The implication there was that he knows what the fundamental causes are. Well, he should have told us instead of leaving it in the air. I do not want to see these boys trained for some war that may be inevitable as a result of fundamental causes, but the hon. gentleman said that we were pinning our hopes on the united nations organization. Frankly, I am; I am also with the minister in what he is doing, though I hope he will never have to make use of it, but I hope and trust that the efforts of the united nations organization will be successful.

This is something which is very close to me. Then the hon. member left that up in the air and tried to sow a little seed of doubt as to whether we can be successful in the united nations organization. Goodness knows, I am not blind to the pitfalls with which we are faced. I know the possibilities of failure, but I am looking to the possibilities of success, and I think we should direct our efforts along that line and not sow any of these other seeds. That was another unfortunate statement the hon. member made. Then he mentioned a nation we might be called upon to fight, and said the name of that nation could be in anyone's mind. Well, when he said that I had two nations in mind, because I have heard him on different occasions. I am not going to quote the pages of *Hansard*; I do not know them, and he will correct me if I am wrong, but I heard him mention Russia as a possible enemy.

Mr. BLACKMORE: Do not give wrong impressions, now.

Mr. BENTLEY: I am just asking the hon. member to straighten out the impression he left with me.

Mr. BLACKMORE: Do not twist things up.

Mr. BENTLEY: That was one of the nations I had in mind when I heard the hon. gentleman speak. The only other nation with which we might wage war would be the nation to the south. Unquestionably those are the only nations which might or might not go to war with us. I hope neither one does; I hope we are going to have peace all round, but those things should not be left up in the air, and I did not believe this debate was the proper time to sow these particular seeds of doubt, or to leave these bits of conjecture up in the air as to the causes of war and the nations we might have to fight, which implied the failure of the united nations organization. War is one of the most explosive things we know.

The hon. member for Lethbridge said he hoped that the minister was going to have some measure of control over the air cadet corps; yet this afternoon he was the first to claim that ordinary dynamite and other explosive instruments should be left entirely in the hands of—

The CHAIRMAN: Order. The hon. member must not refer to a previous debate during the present session.

Mr. BENTLEY: I am sorry; I should have known that.

Mr. BLACKMORE: If the hon. gentleman will permit me, I did not say one word about control on the part of the government.

Mr. BENTLEY: We shall leave that matter for *Hansard* to settle to-morrow. I shall not prolong the debate on this point, but I did not want the hon. member's observations to pass unnoticed and unchallenged.

Progress reported.

SUPPLY

PRICE CEILING POLICIES WITH RESPECT TO FARM PRODUCTS

The house resumed from Wednesday, May 15, consideration of the motion of Mr. Mackenzie that the house go into committee of supply, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mrs. Strum.

Mr. R. H. WINTERS (Queens-Lunenburg): In this house, Mr. Speaker, we hear a great variety of subjects discussed, and when a subject is up for debate there is no telling what it will lead to, as we have seen to-night. But there is no doubt in the mind of anyone in this house that the cause of the farmer is well and ably championed. To-night we are speaking on an amendment and a subamendment, both of which deal with farmers' problems. Both the amendment and the subamendment focus attention on farm products as the salient feature of this country's economy. Probably this is truer of the Progressive Conservative amendment than of the C.C.F. subamendment, but both overlook the fact that there are in this country food producers other than farmers. Both the amendment and the subamendment point out that the farmer suffers disproportionately. Without even an analysis of statistics it is very difficult to see how that could be the case, in view of the attention the problems of the farmer are given in this chamber.

While we in the maritimes are sympathetic toward the western farmer, because we feel that any benefit accruing to him will automatically be extended to us, I wish to point out that we have problems of our own which are not associated with those of the western farmer. We want to make it clear that we fully appreciate his importance in our over-all economy. I am pleased to see the problems of our farmers being given such full consideration, because I know of no class of people more deserving of support. However, at times it is necessary to apply our thinking on a broader basis. The amendment moved by the leader of the opposition (Mr. Bracken) appears at page 1244 of *Hansard,* and states:

> That this house is of the opinion that the government's price ceiling policies with respect to farm products are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

The C.C.F. subamendment, which I think might well be read at this time to give a good picture of what we are discussing, will be found at page 1551 of *Hansard,* and reads:

> This house is of the opinion that the government's policies permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in imposing on food producers and workers in Canada an unfair share of the burden of maintaining the government's price stabilization policies.

Both the amendment and the subamendment set out to prove that the government's price policies are working contrary to the best interests of the farmer and discouraging needed food production. Based on what has been said previously in this debate and on my own observations, I would seriously doubt that the farmer has been suffering too disproportionately. It is true that the prices of his products have been fixed, but that is the case with prices of other commodities used by many classes of people throughout the country. The hon. member for Cape Breton South (Mr. Gillis) pointed out in an interesting talk some of the difficulties facing the maritime provinces, in particular Nova Scotia and still more in particular his own constituency. I feel that his speech did Nova Scotia some good, because it served to bring before this house the particular problems with which we are faced, Being at the extremity of the country, as I have said before in this house, we have problems of transportation, freight rates and so on that are not encountered in some other parts of Canada. I feel, however, that the hon. member for Cape Breton South was inconsistent when he continued to advocate that wages be increased but that price ceilings otherwise be maintained. Both the hon. member for Cape Breton South and the hon. member for Qu'Appelle (Mrs. Strum) deplored the fact that the leader of the opposition restricted the discussion to agriculture. I entirely agree in that respect. I feel that it is a great mistake to select any group in the national economy and attempt to give them preferred treatment.

Mr. IRVINE: Why select the manufacturers?

Mr. WINTERS: Did I?

Mr. IRVINE: Your government did.

Mr. ILSLEY: It did not.

Mr. WINTERS: The constituency I represent is not generally considered to be a farming one. It is widely and justly known as a fishing centre. But there is much more farming carried out there than most people would imagine. There are many fine apple orchards, for example, as there are in Nova Scotia generally. I do not feel I need spend time on the apple orchards, or attempt to advertise a product which is already well known. Last year, however, the apple crop was a failure. The production of this farm product was down. I have heard some strong arguments advanced in the house blaming the government for discouraging production, but I think the arguments would need to be much more convincing to persuade the farmers that government policies were responsible for the apple failure last year.

The same may be said of the potato crop in Nova Scotia last year. By the same token farmers generally all across Canada do not blame government policy when circumstances in the hands of nature result in decreased crops. This year in Nova Scotia we are hopeful that our apple crop will be better. Indications are now that it will be. We feel, too, that our farm production generally will be better. But if it is not we know it will not be for lack of trying on the part of the farmers. They are showing no tendency whatsoever to hold back because of the government's policy. In support of that statement I would read an extract from the Halifax *Herald,* dated Thursday, May 16, under the heading "Acreage is increased":

> Ten per cent increase in Nova Scotia potato acreage is in prospect this year according to reports from government farm correspondents. Latest estimates fix the intended 1946 seeding at 24,600 acres, 2,200 acres higher than last year. Four per cent increase in seeding of oats and spring wheat are expected.

Granting that there may be some restiveness under price control, I do not see that it is in the best interests of the country to focus attention on any one group and make the people in that group feel that they are suffer-

ing disproportionately. It is well to consider what would happen to the rest of the country if preferred treatment were given to any one group. For instance, if prices of farm products were allowed to increase, they would reflect themselves into the over-all economy of the country, and would increase the burden on all classes of people, including farmers, fishermen, merchants, tradesmen and so on. They would all be obliged to pay more for bread, cereals, cheese, butter and all farm products.

With particular reference to the C.C.F. subamendment which claims that there is discrimination against the worker, that, too, is not accepted as such in my constituency. I hold in my hand a clipping from one of our local papers which states:

> Wage price control policy is helpful
>
> The war-instituted policy of wage and price control, as now practised in Canada, has benefited and will continue to benefit the Canadian worker by protecting his living standards and avoiding an inflationary rise in prices, which would cancel the advantage gained by an increase in his real wages during the war years and since.

That is found in a paper which has never been inclined to lean over backwards—to use the expression of the hon. member for Cape Breton South—in support of the government.

In my constituency there is a high percentage of people engaged in seafaring. This is a hazardous occupation, and the loss of life is accordingly high. Years in which there are no drownings at sea are very few indeed, as hon. members well know. In fact, to the best of my knowledge, last year was the first in this generation in which there were no losses at sea among crews of schooners in our deep-sea fleet. As a result of the cumulative high loss of life there are many widows. I wish those who advocate the immediate removal of price ceilings would tell the house how those widows, on their small incomes, are going to adjust their method of living to compensate for increased prices. They have no means whatsoever of gearing their incomes to an inflationary spiral. The same thing applies, of course, to people on fixed incomes and pensions all across the board. They have no opportunity to keep pace with increasing prices.

It is idle to say that prices would not increase if ceilings were removed. The very fact that there is such a great pressure against these ceilings is a clear indication of what we could expect if they were removed. If we were sure that the ceilings would not be lifted there would not be such great stress to have them lifted. That the two things go hand in hand goes without saying. There is no doubt in my mind that prices would skyrocket at once if ceilings were lifted, and we would find ourselves in the midst of a violent period of inflation. For example, in the United States where controls have not been maintained as rigidly as in Canada, they are experiencing this condition right now, and are envious of this country's well-controlled economy.

Referring once again to the amendment offered by the leader of the opposition, we find it states that the government's policies are discouraging the production of food. The C.C.F. subamendment states that the government policy has imposed on food producers and workers an unfair share of the burden of maintaining the government price stabilization policy.

I say emphatically that both the amendment and subamendment are wrong. Speakers in support of these amendments have attempted to show that because of the government policies farmers are deliberately not producing up to their full potential capacity. I say again that this applies more particularly to the amendment offered by the Progressive Conservative party than to the C.C.F. subamendment. The hon. member for Victoria (Mr. Mayhew) and the hon. member for Halton (Mr. Cleaver), speaking on behalf of the government, have shown clearly that what the amendments say about farm production is not the case at all.

But if one were to suppose, for the purpose of argument, that the government's policies do discourage production of farm products—which they do not—the amendments would still be wrong. Both amendments refer to food products, not farm products alone. The word "food" is not used in a restrictive sense. I presume it is intended to include all food products. The C.C.F. subamendment does not state directly that food production is discouraged, but it does imply that by stating that the government's policies impose unfair hardships on food producers.

There is the greatest tendency on the part of farmers, and those speaking on behalf of farmers in the house, to consider food to be limited to farm products only. The definition of "food" must surely embrace fish, which is an important food, as all must agree. The inclusion of the Minister of Fisheries (Mr. Bridges) in the Canadian delegation to the meetings of the food and agricultural organization in Washington is official recognition by the government of the fact that fish is included in the long-term food programme. Surely that is becoming more important all the time.

We can no longer make the mistake of talking about food and excluding fish. There

are many in the house who are not fully familiar with the extent of the fishing activities on the west and east coasts. However, I am sure the house realizes the important part fishing is playing in Canada's economy. While we are anxious to see that the farmer gets the best possible deal, I am sure we can assume that the farmer is just as anxious that the fisherman is given due recognition for the part he is playing. To say, then, that the government's policy is discouraging the production of needed food is hardly correct when one interprets the word "food" in the proper way and reads such statements as have been contained in the press recently, and I quote:

Nova Scotia's fish catch increased by 6,034,000 pounds in March over the corresponding month last year. Value of the landed catch to the fishermen was $376,000 more than in 1945. Altogether 26,957,000 pounds of fish were caught with a total landed value of $1,672,000. Lobsters, which gained in quantity by 52,900 pounds, and in value by $134,900, were a big factor in the general increase. Catches of cod, halibut, scallops and pollock all were larger than last year.

I would remind the house that fishermen everywhere do not take kindly to statements alleging that the government's policy is discouraging the production of food when they are doing their utmost to produce in unprecedented quantities and are delivering the goods. They are producing all the year round under the most trying and hazardous conditions. Rather than criticizing the government's policies, these people are grateful to the government for what it has done to assist them to earn a good living wage after so many lean years. As hon. members know, assistance has come in the form of subsidies on ships, veterans benefits, floor prices, trade agreements and so on.

I wonder how serious people are who say they want controls removed entirely and at once. It is reported that in a recent speech at Sherbrooke the hon. member for Stanstead (Mr. Hackett) advocated that price controls be removed immediately and completely. I understand from remarks made in this house that many of those on the opposition benches feel the same way, but I think we should have a clear statement from them as to how far they want to go, on what commodities they want ceilings removed and when they want them removed. Many people criticize, but I think most of them realize what would happen if ceilings were removed. A good example of how the public reacts to this problem and registers complaints while at the same time playing safe is a statement made recently by a well-known Canadian newspaper, the Toronto *Daily Star*. The heading is, "Wartime restrictions should go." The article is quite emphatic in that, but it ends up by saying:

[Mr. Winters.]

Except for whatever price controls may be necessary, war-time restrictions should go

I think in private most opposition members who complain about price controls feel just that way. They have some local complaints, but at the same time they are reluctant to see controls go completely. The recent strenuous objections from the opposition to the increase in the price of farm machinery and the removal of the subsidy on milk serve to illustrate this point. In my opinion it is doing harm to the country to make the people restive under controls which are known to be in their best interests. Focusing the problem before the public and leading manufacturers and merchants to believe that controls will be removed in the near future serves to retard the availability of consumer goods, since there is every reason to believe that, in the light of the publicity resulting from amendments such as these, goods are being held off the market.

Every reaction that I have received from my constituency has been favourable to the government's policy of adjusting controls and removing them where possible on a gradual basis in order to return to a normal peacetime economy without violent inflation. As the Minister of Finance (Mr. Ilsley) said in a previous speech on this subject, as reported on page 472 of *Hansard*, this policy is adopted in the confidence that price control and the maintenance of ceiling prices have the full support of Canadian people, and the government does not intend to flout their opinion. If these circumstances are appreciated on all sides and actions are governed accordingly, we shall be assured of a quicker return to normalcy, with fewer irregularities.

Mr. E. B. McKAY (Weyburn): Mr. Speaker, at the outset I wish to state that I am unequivocally in accord with the principle of price stabilization. During the debate on the address in reply to the speech from the throne last session I stated, and I reiterate it again, that a more satisfactory approach to price control in so far as agricultural products are concerned would be to establish basic parity prices for all farm products. These prices should bear direct relationship to the cost of production; they would not be floor prices nor yet would they be ceiling prices; they would be prices that would vary with the changed costs of production as related to the cost of the goods which the farmer buys and uses. Obviously the government is not following such a policy.

By this policy of permitting the ceiling on prices of farm machinery to be raised, the cost of producing foodstuffs has been increased

for the farmer. The increase allowed in the price of gasoline is another example of the same thing. At the same time the floor has been lowered under the selling price of wheat. It is apparent that such actions on the part of the government is placing an unfair share of the burden of maintaining the price stabilization policy upon the shoulders of the people who obtain their livelihood by tilling the soil.

I can see absolutely no justification for the increase in the price of farm implements. There are many serious objections that could be taken to the raising by 12½ per cent of the ceiling on the selling price of farm machinery manufactured here in the Dominion of Canada. First, farmers to-day are in grave need of machinery replacements for their worn-out equipment. This, added to the increase in price, adds most substantially to the burden the farmer is forced to bear. He must purchase large quantities of new implements to replace his old machinery and must pay higher prices.

Second, higher machinery prices will increase the cost of production. In the face of a lowered floor price of $1 a bushel for wheat at Fort William, I cannot see any justification for raising the ceiling on the goods the farmer has to buy.

Third, I question the reliability of the figures which apparently were submitted to the government by the farm machinery companies and which were quoted by the Minister of Finance to indicate increased costs for the implement manufacturers. I question that data unless it was procured directly from the records of the companies concerned and by investigators of the government. Machinery prices have been unjustifiably high for years, according to the report of the special committee on farm implements which sat in 1937.

According to evidence which was submitted to that committee of parliament, and which appears on page 13 of the report of proceedings:

> It appears that a small cream separator (under 500 lbs. capacity) can be manufactured in Sweden by a company allied with the De Laval Company, doing business in Canada, and after payment of freight (ocean and rail), duty, excise tax, can be laid down at Peterborough, Ontario, for $17.65. These particular cream separators are sold at Winnipeg for an average price of $44.58. When it is remembered that the freight from Peterborough to Winnipeg is only $1.30, this committee is of the opinion that the above facts speak for themselves, and that the retail price to the Canadian farmer is completely out of line with manufacturing and distribution costs.

I particularly wish to emphasize that last statement:

> The retail price to the Canadian farmer is completely out of line with manufacturing and distribution costs.

May I now refer to repeated statements which have emanated from industrial and financial leaders, and may I add that these men are not of the C.C.F. Certainly none with whom I have conversed are sympathetic with our policies in this corner of the house. As a matter of fact, they largely support the Progressive Conservative point of view, which appears to be to take off the lid so that prices on every commodity may go sky-high.

These leaders of industry and finance, directors, in other words, of big business, maintain that increased labour costs are largely responsible for the high prices of manufactured goods. Certainly labour costs have risen to some extent, but no more than the increased costs of living would justify. Labour, despite these increases, is still not receiving its fair share of the national income. The labouring man, and that includes the fishermen who have just been referred to by the hon. member for Queens-Lunenburg (Mr. Winters), who comprises such a large part of this country's population has always been in the lower income brackets. Too often industrialists have had too much regard for profits and have failed to respect the old biblical counsel: the labourer is worthy of his hire. The small share that labour received from the price realized from farm machinery is revealed on page 435 of the proceedings of the special committee, 1937, on farm implement prices. I think this house and the country should carefully examine that report. On page 435 of the proceedings of the special committee on farm implement prices it is stated that in 1913—quite a long time ago—the selling price of an eight-foot binder sold in the city of Regina was $165. The price itself would indicate that that was a long time ago. Labour costs amounted to $10.21—I repeat, only $10.21—not a very large sum as everyone must admit. In 1932 the same binder sold in Regina for $276 and the labour cost amounted to only $13.40, still a very small percentage of the selling price, actually just 4·8 per cent.

In every case, the selling commission, freight from the factory to Regina, factory overhead, and material costs, each exceeded the cost of labour. Later figures are not available from a reliable source in Canada. But in the United States, where labour in most industries is on a higher wage level than in this country, the report of the federal trade commission, issued from Washington, D.C., last year, stated that the cost of labour in the manufacture of farm implements in the United States has not altered materially in relation to other costs of manufacturing. The report reveals that a

combine retailing in Minneapolis for $638 had as labour costs $46.43, or just 7·3 per cent of the selling price. Had labour costs increased 50 per cent, labour would still be obtaining only slightly over ten per cent of the selling price of that particular type of farm machinery. But labour costs have not increased 50 per cent. The minister quoted figures to show that labour costs here in the dominion in the implement industry had increased only 28½ per cent; I think I am correct in that figure.

Mr. ILSLEY: That is correct.

Mr. McKAY: Referring again to the 1937 special committee on farm implement prices, page 435 of the proceedings, reveals that the highest selling price for an eight-foot binder was in 1921, when labour costs were $20.66. That binder sold for $329 in Regina. Had labour increased 28½ per cent at that time, labour costs would still be only $5.88 more, or a total of $26.54, representing just 8 per cent of the selling price, not 80 per cent.

Therefore I submit that labour costs in Canada, in the implement industry in particular, cannot be the reason for the demand for an increase in the price ceiling on farm machinery. Certainly they are not a legitimate reason for a 12½ per cent increase, and until there is placed before this house evidence that can be relied upon to justify a rise in the price of farm machinery, I am unalterably opposed to breaking the price ceiling, the effect of which can only be a demand by other industries for similar treatment. Under the pressure of such a demand the whole structure of price stabilization will be shaken to its foundations and inflation will be upon us with all its attendant evils.

Mr. D. F. BROWN (Essex West): Mr. Speaker, I think it is the privilege, duty and obligation of every member of this house to do everything we humanly can to protect those people who most need protection, the common people of this country who are very much in need of our attention and services. If we get into an inflationary period it is the common people who will suffer the most. For that reason I think it is the duty of controllers, cabinet ministers and the like, and the duty of everyone of us who sits in this house and every citizen of this dominion to do everything possible to prevent any inflationary period from getting started.

As I see it, the constituents of good government are not only the qualities of intelligence, stability, order, vitality and compassion, but ordinary common honesty and sincerity. Instead of going around the country making wild and reckless statements, we should consider what we are talking about. We should reflect that the people of Canada are aware of what is being said and that they expect us to do our duty. In the constituency I represent there are many people, the backbone of our country, who work in the factories, the offices and the shops; there are many widows and orphans, many old age pensioners, returned soldiers, retired public servants and business men on fixed incomes. These are the people who will suffer from inflationary methods, and who, indeed, are suffering from the mere talk of such inflation.

The loyal opposition—I say, the "loyal" opposition—goes about the country and preaches the removal of price controls; that is, they do so outside the house. The United States has gone somewhat upon that line; I do not say that controls have been entirely released, but they have been relaxed to a great extent. Recently the Windsor *Daily Star*—

Mr. MacNICOL: A very fine paper.

Mr. BROWN: "A very fine paper." I thank the hon. gentleman, and I might say that it is quoted in this house more than any other newspaper in Canada. The Windsor *Daily Star* took upon itself to make a survey of conditions as they exist in Windsor and in Detroit, which is on the opposite side of the river. Here are some comparative prices as found by them: soft drinks, Windsor, 7 cents; Detroit, 10 to 15 cents; hamburgers and hot-dogs, Windsor, 10 cents; Detroit, 21 cents; shortening, Windsor, 19 cents; Detroit, 27 cents. The average good meal costs 75 cents in Windsor and $1.75 in Detroit; for a downtown movie one pays 48 cents in Windsor, 85 cents in Detroit. Let me remind hon. members that if we have inflation, the industrialists, high-salaried people, and professional people will be able to charge correspondingly; it is the smaller people, the workers in the factories, who will suffer. I come from an industrial town, not from a farming area, so that I come in contact with these working people; they are my friends, some of them are my relatives, and I believe it is the duty of everyone of us to do everything in our power to protect from inflationary policies the factory workers, the widows and orphans dependent on small pensions, the retired business men with a little money laid by, for these are the people who need protection. After the last war there was no such control as we have to-day, and prices sky-rocketed. To give the house some idea, let me quote a few typical figures:

	1919 cents	1920 cents	March 1946 cents
Butter, per pound ..	58	74·8	44·7
Eggs, per dozen....	54	88	43
Sugar, per pound ...	11·9	25	8·6
Bread, per pound ...	7·8	9·7	6·7
Milk, per quart	13·7	15·6	10·5

This is why I am opposed to the amendment submitted by the loyal opposition. Now, as to the un-loyal opposition—

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Order.

Mr. BROWN: Is there some question about that?

An hon. MEMBER: Certainly there is.

Mr. BROWN: Very well, I will pass that by and classify the C.C.F. with the Conservatives. If they want to be associated I will call them also the loyal opposition, or we can have the C.C.F. branch of the loyal opposition.

Mrs. STRUM: On a point of order, the speaker is classifying two kinds of opposition or two kinds of "loyal" opposition. Am I correct in assuming we have an official opposition and then we have other hon. members in opposition?

Mr. BROWN: Bless your little heart, I would not do anything—

Mrs. STRUM: Well, see that you don't then.

Mr. BROWN: Far be it from me to contradict a woman. I am married too.

Mrs. STRUM: Well, you are not at home now.

Mr. BROWN: I did not hear that. However, I have been called un-Christian by the hon. member who has interrupted me. She did so on Monday, April 15. As quoted in the Windsor *Daily Star*, "Mrs. Strum says that the King government is un-Christian". It may be so. But I do not think the people of Canada are particularly concerned about what any hon. member, including myself, is saying; what they want is action. Instead of going around the country, as some hon. members are doing, making inflammatory speeches, I think we should get down to business. Men and women earnestly desire more humane conditions of living, better jobs, comfort for their griefs, healing for their wounds, life in a decent society, proper dwellings, education for their children, sane and clean government.

Now, as to this amendment brought in by the official opposition—

Mrs. STRUM: That is better.

Mr. MacNICOL: You have it right this time.

Mr. BROWN: Thank you.

Mr. MacNICOL: Next time it will be the government.

Mr. BROWN: That is wishful thinking. The people of Canada are not particularly interested in gibes across the floor. Our job is to do the best we can where we are.

The subamendment would lead one to believe that the worker has not been fairly treated by this government—this Liberal government. However, strange as it may seem, I come from an industrial area and I was elected. I think the people of Canada are quite well aware of the benefits that have accrued to them from this government—this Liberal government.

Mr. CASE: So-called.

Mr. MACKENZIE: By a former Liberal.

Mr. BROWN: Will the hon. gentleman rise in his place and say what he has to say, or is he ashamed of it? After all, it was Sir Wilfrid Laurier who formed the dominion Department of Labour in 1900, and no one will say he was not a Liberal.

Mr. MacNICOL: He was a great Canadian.

Mr. BROWN: The Postmaster General of the day administered the department, and the gentleman who is now the head of the government, Mr. Mackenzie King, was deputy minister.

Mr. MacINNIS: It started out very badly.

Mr. BROWN: It started very well, and I will depend on the judgment of the people of Canada rather than that of any political party.

Mr. CASE: Take Prince Albert, for instance.

Mr. BROWN: In 1908 the interests of labour were given fuller recognition by the appointment of a Minister of Labour holding no other portfolio, and the present Prime Minister became minister. To-day we have as minister one who has devoted his life to the labour movement. I refer to the hon. member for Welland (Mr. Mitchell). We also have an efficient department under the supervision of Mr. Arthur MacNamara, who has rendered a noble service to the dominion in the more recent strikes we have had. Between 1896 and 1911 labour legislation enacted by the dominion parliament included the Conciliation Act, establishing the department and providing for conciliation work by

the officers of the department in case of industrial disputes; the Railway Labour Disputes Act, designed to promote the settlement of disputes between railway companies and their employees; the Industrial Disputes Investigation Act, providing further machinery for the prevention and settlement of labour disputes, particularly those in mines and public utilities; the Alien Labour Act, to protect Canadian workmen from the competition of alien workmen brought to Canada under contract; and the Lord's Day Act, ensuring rest on Sunday to the great majority of workers.

The statute prohibiting the manufacture and sale of matches made from white phosphorus, enacted in 1914, was drawn up and passed by the House of Commons first in 1911 but was not finally disposed of before the general election of 1911. The fair wages resolution of the House of Commons in 1900 is the basis of the government's policy by which contractors for dominion government works and supplies are required to pay the rates of wages prevailing in the district in which the work is done. In 1908, the Government Annuities Act was passed. The provision made for the sale of annuities by the government was designed for the advantage of persons of small and moderate incomes who wished to ensure for their old age a certain income.

Mr. JOHNSTON: What has that to do with the amendment?

Mr. BROWN: I am talking about the amendment as submitted by the C.C.F. as follows:

> This house is of the opinion that the government's policies of permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in imposing on food producers and workers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

That is the amendment, and I am telling the house what the Liberal government has done for the workers of the country.

Mr. BURTON: You have not told us whether you are in favour of an increase in the price of machinery.

Mr. BROWN: The hon. member will have an opportunity of making a speech if he wants to, but it will not be to-night, I assure him. Since the government came into office in December, 1922, legislative and other action has been taken to promote the welfare of the workers. The trainmen formerly employed on the Grand Trunk railway lines who had been deprived of their pension and seniority rights were restored to their former status in 1922 through the efforts of the government. That was in 1922, and the people of Canada know what benefits have accrued to them.

[Mr. Brown.]

Mrs. STRUM: What about 1946 and this amendment?

Mr. BROWN: We will get to that. Do not be impatient. The Winnipeg postal employees who were required after the strike of 1919 to accept the minimum rates of wages for new men were by a statute of 1929, granted the rates payable for work done. The amendment of 1919 to the Immigration Act, whereby the minister was empowered to deport any persons who were deemed to be advocating violence or sedition except those who were British subjects by reason of birth in Canada or naturalization in Canada, was repealed in 1928 and the section made to apply to those who are not Canadian citizens. By an order in council of August, 1929, issued under the authority of the Immigration Act, employers were prohibited from importing labour under contract. In 1922, an act was passed restricting Chinese immigration.

The 1924 amendment to the Militia Act provided that the militia could be called out by local authorities only with the approval of the provincial attorney general. The use of militia in labour disputes was thus made dependent on the approval of the attorney general of the province concerned. Labour was given representation on the board of directors of the Canadian National Railways—

Mr. SPEAKER: Order. It is eleven o'clock.

Mr. BROWN: In that event, Mr. Speaker, I would move the adjournment of the debate, and if offence has been taken by my hon. friends—I say "friends" advisedly—I hereby apologize.

Motion agreed to and debate adjourned.

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

Tuesday, May 21, 1946.

The house met at three o'clock.

DAIRY PRODUCTS

INCREASES IN SUBSIDIES ON MILK ENTERING INTO MILK PRODUCTS

Right Hon. J. L. ILSLEY (Acting Prime Minister): Mr. Speaker, when the Minister of Agriculture (Mr. Gardiner) a few days ago announced the changes in the subsidy policy concerning fluid milk, he said that it was necessary to give further consideration to the subsidies on milk entering into cheese and into processed milk.

I am now in a position to state that the subsidy on milk entering into the production of cheese will be increased by ten cents per hundred pounds, that is from 20 cents to 30 cents per hundred pounds, and that the subsidy on milk entering into the production of concentrated milk products and the production of milk sugar will be increased by eight cents per hundred pounds, that is from 15 cents to 23 cents.

These increases are effective as from May 1, 1946. The subsidy on milk entering into the production of cheese will continue for the full year, that is until April 30, 1947, unless in the meantime it is absorbed in the price. The subsidy on milk entering into processed milk will continue until September 30, 1946. With regard to what is done about milk entering into processed milk for the period after that, further consideration will have to be given to the matter.

Mr. HACKETT: Will the minister say whether the expression "absorbed in the price" means absorbed into the ceiling price?

Mr. ILSLEY: What I meant was added to the price.

Mr. HACKETT: The minister means it would be added to the price.

Mr. ILSLEY: Yes; if before the end of the full year the subsidy is withdrawn, it would be added to the price.

Mr. HACKETT: Does that mean to the fixed price?

Mr. ILSLEY: The ceiling price.

Mr. HACKETT: Is that all within the control price?

Mr. ILSLEY: Most of the cheese goes to the United Kingdom, and it would have to be added to that. Presumably it would have to be added at the same time to the price in Canada.

Mr. SENN: The minister mentioned processed milk. Did he include powdered milk?

Mr. ILSLEY: I am sorry, but I cannot answer all these questions, because they are within the knowledge of the Minister of Agriculture to a much greater extent than they are within mine. But the term used in the order in council is "milk entering into the production of concentrated milk products and the production of milk sugar."

Mr. JOHN BRACKEN (Leader of the Opposition): Perhaps the Acting Prime Minister cannot answer this question either, but it appeared to me that the removal of the subsidy on fluid milk and the provision of a subsidy on milk used for other purposes will have the effect of discouraging the production of milk for fluid purposes and increasing the production for milk-manufactured products to be sent overseas. I gather that that is the effect of it.

Mr. ILSLEY: I feel incompetent to answer that question. The returns on fluid milk are considerably higher than the returns on milk for other purposes.

Mr. BRACKEN: May I have a copy of that statement.

Mr. ILSLEY: Yes, but it was partly oral.

COST OF ASSISTANCE IN CONNECTION WITH FLUID MILK

On the orders of the day:

Mr. W. A. McMASTER (High Park): I should like to direct a question to the Minister of Finance. According to a statement in this morning's papers Donald Gordon is reported to have said that the cost of assistance given in connection with fluid milk is $20,000,000. whereas a return made a few days ago by the Minister of Agriculture gives this amount as $12,671,000. Would the Minister of Finance find out whether something is being withheld by the department?

Right Hon. J. L. ILSLEY (Minister of Finance): There is no discrepancy in fact. The reference in the newspaper article was to the consumer milk subsidy while the reference in the return made by the Minister of Agriculture was to the producer milk subsidy.

REDISTRIBUTION

STATISTICS OF POPULATION AND OTHER DATA

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I should like to direct a question to the Minister of Trade and Commerce. In order to facilitate the consideration of redistribution would the minister make available to each member of the house a copy of bulletin No. A-10, published under his authority, which contains essential statistics of population, constituency by constituency and municipality by municipality, as well as other data essential for the discussion of redistribution? We have found it difficult to get copies of this bulletin and perhaps the minister can assure us that it will be made available.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I am grateful to the leader of the opposition for giving me notice of this question. I got in touch immediately with

this branch and was advised that bulletin No. A-10 is a 1941 publication and that only a limited number of copies are available, not sufficient to supply all members of the house. As is evidenced by the question asked by the leader of the opposition, I felt that this publication was of sufficient importance to warrant my asking that additional copies be printed for members of the house, and I expect that these will be available within four or five days.

LABOUR CONDITIONS

LUMBER INDUSTRY—STRIKE IN BRITISH COLUMBIA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to ask the Minister of Labour if he has any information he can give the house regarding the strike in the lumber industry in British Columbia which has reached serious proportions.

Hon. HUMPHREY MITCHELL (Minister of Labour): I have directed the reappointment of Chief Justice Sloan in an endeavour to bring the parties together, that is, on the question of working conditions and wages. It should be clearly understood that the final decision will have to be approved by the regional war labour board of British Columbia. I am hopeful that good sense will prevail and that the dispute will be brought to a speedy conclusion.

USE OF PRISONERS OF WAR IN SUGAR BEET PRODUCING AREAS

On the orders of the day:

Mr. C. E. DESMOND (Kent, Ont.): I should like to direct a question to the Minister of Labour in connection with the prisoner of war situation in the sugar beet producing areas of western Ontario. In view of the fact that there has been a substantial increase in production amounting to 26,500 acres—

Mr. SPEAKER: Order. The hon. member is not supposed to make a statement or give information to the house. He should simply state his question.

Mr. DESMOND: Are prisoners of war to be made available in sufficient numbers to justify the increased acreage?

Hon. HUMPHREY MITCHELL (Minister of Labour): We have heard a great deal in this day and age about the unemployment situation in Canada, and now a request is being made that prisoners of war be retained in Canada to harvest an important crop.

Mr. DIEFENBAKER: Others will not take on the job.

[Mr. Mackinnon.]

Mr. MITCHELL: If I had the power of direction that I had twelve months ago perhaps the hon. member for Lake Centre would be harvesting beets to-day.

Mr. DIEFENBAKER: There is no danger of that in any of these regulations.

Mr. MITCHELL: My hon. friend is quite anxious about a bill of rights; he is anxious about the lifting of price ceilings and the freedom of the individual. If he were as definite about those as I am, probably conditions would be a little different in Canada to-day.

Mr. SMITH (Calgary West): That is true enough.

Mr. MITCHELL: My good Conservative friends are anxious to push the working people around.

Some hon. MEMBERS: Oh, oh.

Mr. MITCHELL: It is all right when the boot is on the other foot. It does not matter whose ox is being gored so long as it is not yours.

Some hon. MEMBERS: Oh, oh.

Mr. MITCHELL: A similar question was to be asked by the hon. member for Lake Centre. I should like to say that it is not correct that the number of prisoners of war to be available this year for the sugar beet industry in Ontario is to be reduced as compared with last year. Actually we are increasing the number. Last year we had 861 employed in the fields in the sugar beet area of western Ontario; this year we will place 872 in this work. We are also trying to increase the number by another 200 and to make a similar increase in the number alloted to the Manitoba sugar beet industry.

Another point which I think will impress hon. members is that we are arranging to place prisoners of war individually with sugar beet farmers. By so doing we think we will increase the labour productivity, because instead of being moved to and from the hostels each day the men will be living at the homes of the farmers and be able to start work earlier. There will also be a personal interest on the part of the farmer, which will lead to more work being done. The matter of increasing the number both in Ontario and in Manitoba is under consideration.

DAY NURSERIES

FEDERAL ASSISTANCE TO MAINTENANCE AND OPERATION

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): I should like to ask the Minister of Labour if the government has received a request that

it resume the payment of fifty per cent of the cost of operating day nurseries and, if so, what action it proposes to take.

Hon. HUMPHREY MITCHELL (Minister of Labour): We have received a request from the city of Toronto that the fifty per cent assistance to the maintenance of day nurseries be continued, but no decision has been reached at the moment. The contribution by the dominion government toward the cost of operating day nurseries was undertaken as a war measure. Due notice was given to the local authorities some months ago that the contributions would be discontinued, and I doubt very much whether that decision will be reversed.

BARBED WIRE

SHORTAGE FOR FENCING PURPOSES

On the orders of the day:

Mr. WILLIAM IRVINE (Cariboo): I should like to direct a question to the appropriate member of the government, which I presume would be the Minister of Reconstruction and Supply. As he is absent, perhaps my question may stand as notice for tomorrow. Have the government any information as to the great shortage of barbed wire for fencing and, if so, what are they doing about it?

COAL

USE OF BIENFAIT MINES TO ASSIST IN MEETING SHORTAGE

On the orders of the day:

Mr. E. G. McCULLOUGH (Assiniboia): I should like to direct a question to the Minister of Reconstruction and Supply, to whom I have already sent notice. In view of the desperate fuel shortage and consequent danger of industrial tie-ups, would the minister consider plans to make full use of the Bienfait coal mines in a coordinated plan with other Canadian mines to meet this emergency?

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): It is expected that the minister will be making a further statement in the next few days on the coal shortage, and I would prefer that the question asked be allowed to stand so that it may be dealt with in that statement.

RADIO BROADCASTING

APPLICATION OF C.B.C. FOR WAVE LENGTH OF CFRB

On the orders of the day:

Mr. A. L. SMITH (Calgary West): I should like to direct a question to the Minister of Transport (Mr. Chevrier). I observe that he is not here, but I am sure that in his absence the Minister of National Revenue will be glad to answer. Has the Canadian Broadcasting Corporation applied to the Minister of Transport to take over the wave length of CFRB operating in Toronto?

Hon. J. J. McCANN (Minister of National Revenue): I do not know.

Mr. SMITH (Calgary West): Perhaps the minister can get somebody to assist him in finding out.

Mr. McCANN: I would say to the hon. member for Calgary West that that is a question which might properly be directed to the Minister of Reconstruction and Supply (Mr. Howe).

Mr. SMITH (Calgary West): Why not pick out some one who is here? He is not here either.

CANADIAN ARMY

DISCHARGE OF JUNIOR PERMANENT FORCE OFFICERS

On the orders of the day:

Mr. T. A. KIDD (Kingston City): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Could the discharge of the junior permanent force officers in the army be deferred or held up until such time as appointments in the service can be assured in their branch or some other branch of the service? This question is urgent, Mr. Speaker, in view of the fact that several junior permanent force officers in the army are being asked this week to relinquish their appointments, and—

Mr. SPEAKER: I am pleased to learn from the hon. member that his question is urgent, but I must call his attention to the fact that he is not supposed to make any statement when asking a question on the orders of the day. I would ask him to observe the rule.

Hon. DOUGLAS ABBOTT (Minister of National Defence): My hon. friend did not have an opportunity, I presume, to send me notice of his question. I will take it as a notice and give him an answer at some future day.

SPECIAL DECORATION FOR HONG KONG EXPEDITIONARY FORCE

On the orders of the day:

Mr. J. A. ROSS (Souris): Mr. Speaker, I should like to direct a question to the Minister of National Defence. On September 11, 1945, the minister was asked whether he would consider granting the Pacific Star or having some

special decoration struck for the Hong Kong expeditionary force. The minister replied that he would give the question consideration. Has the minister arrived at a decision, and if so may I ask what it is?

Mr. SPEAKER: I would ask the hon. member to put his question on the order paper.

STANDARDIZATION OF EQUIPMENT

On the orders of the day:

Mr. C. C. I. MERRITT (Vancouver-Burrard): I should like to direct a question to the Minister of National Defence. In view of press reports in the last two days with reference to the standardization of equipment in the Canadian and United States armies, would the minister make a statement to the house on the question?

Hon. DOUGLAS ABBOTT (Minister of National Defence): Mr. Speaker, I do not know whether I have seen all the press reports to which my hon. friend refers, but there will be an opportunity for me to give him any information he requires when my estimates are under consideration.

Mr. MERRITT: If I may ask a supplementary question, when is it proposed to move the resolution on the order paper with regard to the Canadian Army?

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): That depends upon the arrangement of government business.

VETERANS AFFAIRS

PRIORITIES IN PURCHASE OF FARM MACHINERY

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, I should like to direct a question to the Minister of Veterans Affairs. Are veterans who own or purchase their own farms entitled to priority in purchasing farm machinery, and do they receive the ten per cent special discount?

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I was given no notice of the question, and I have pleasure in taking it as a notice.

Mr. McLURE: Mr. Speaker, I have another question. This is just a simple one.

Mr. MACKENZIE: A refreshing change.

Mr. SPEAKER: I would ask hon. members to look at the rules of the house, by which they will see that they have every opportunity within the rules to get all the information they desire. If they want a question to be answered orally, it is a simple matter to have it marked with an asterisk on the order paper. But until the rules of the house are changed the Speaker has no choice but to ask hon. members to refrain from asking questions on the orders of the day that are not urgent; and further, no statement should be made in putting a question on the orders of the day. It is the duty of the Speaker to see that the rules of the house are observed.

Mr. McLURE: Mr. Speaker, I wish—

Mr. SPEAKER: Order. I am sorry to interrupt the hon. gentleman, but it is not the practice to question a ruling or the advice of the Speaker. It is the well-established practice of the house that questions which are not urgent should be put on the order paper instead of being asked on the orders of the day.

Mr. McLURE: Mr. Speaker, I have received a telegram—

Mr. SPEAKER: I have asked the hon. member to put his question on the order paper.

JOINT DEFENCE BOARD

On the orders of the day:

Mr. L. W. SKEY (Trinity): Mr. Speaker, may I direct a question to the Minister of National Defence? Will he tell the house whether the joint defence proposals now under discussion by Canada and the United States include—

Mr. SPEAKER: Order. I would ask the hon. member to put his question on the order paper.

Mr. SKEY: May I put my question, Mr. Speaker, before you rule on its urgency? The reason I ask for this indulgence—

An hon. MEMBER: Put the question.

Mr. SKEY: Will the Minister of National Defence tell the house whether the joint defence proposals now under discussion—

Mr. SPEAKER: Order. I am sorry to interrupt the hon. gentleman but I see no urgency in the question. It must be put on the order paper.

Mr. SKEY: I would respectfully submit, Mr. Speaker, that the defence proposals under discussion at the present time are urgent.

Mr. SPEAKER: Order. Hon. members who insist in asking on the orders of the day questions which are not urgent are not helping the Speaker to uphold the dignity and decorum of the house. The hon. member knows the rules, or should know them, and I

would ask for the cooperation of all hon. members in upholding the dignity and decorum of our proceedings.

SUPPLY

PRICE CEILING POLICIES WITH RESPECT TO FARM PRODUCTS

The house resumed from Monday, May 20, consideration of the motion of Mr. Mackenzie that the house go into committee of supply, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mrs. Strum.

Mr. D. F. BROWN (Essex West): Mr. Speaker, when this debate was adjourned last night I was discussing the amendment and the subamendment, particularly the subamendment which suggests that the workers would not benefit by legislation of this government. I had shown in part what this Liberal government has done in the past for the workers, who may confidently expect similar treatment in the future.

Since the accession of the Liberal party to office in December 1922, labour has been given representation on the board of directors of the Canadian National Railways, Mr. Tom Moore having been appointed a member of the board in that year. The order issued by Mr. D. B. Hanna in 1920 prohibiting employees of the Canadian National Railways from standing as political candidates was withdrawn by Sir Henry Thornton in 1923.

The Civil Service Superannuation Act was passed in 1924. Dominion government policemen and firemen were accorded a weekly rest day in 1924 and 1925 respectively. Persons working for the dominion government on hourly rates were brought within the Public Service Retirement Act in 1922. The Government Employees Workmen's Compensation Act was amended in 1925 to require the payment of the cost of medical aid and hospital expenses to government employees to whom compensation for accident or disease was payable. A further amendment in 1927 provided for dominion government railway employees in Prince Edward Island.

Fishing boats were declared exempt from pilotage dues in 1922. In 1924 children under fourteen were prohibited from being employed, and boys under eighteen forbidden to be employed as trimmers or stokers, on seagoing ships. Provision was made for a compulsory examination of young persons on ships and for unemployment indemnity in case of loss of ships. These amendments to the Canada Shipping Act were based on draft conventions of the international labour conference.

On motion of the Prime Minister in 1924, a standing committee of the House of Commons was appointed to consider the subject of industrial and international relations.

The protection of trade union labels has long been desired by organized labour, since the presence of a union label on articles is considered as a guarantee that the article was manufactured under working conditions governed by an agreement between the employer and the trade union concerned. A bill to give to union labels the same protection as is accorded by the Trade Mark and Design Act to other trade marks was introduced in parliament by the minister of labour and enacted in 1927.

The fair wages policy, adopted in 1900, was made more effective by orders in council passed in 1907, 1922 and 1924. The terms of the labour provisions to be incorporated in government contracts were laid down, making the purpose of the fair wages policy clearer and more definite. Contractors for all government works and supplies are required to pay the rates of wages prevailing in the district in which the work is performed, to post the wages schedule in a conspicuous place, and to keep a record of wage payments available for inspection by the fair wage officers of the Department of Labour. Government departments are required to furnish monthly to the Department of Labour reports giving information as to contracts entered into during the preceding month. This information is published in the *Labour Gazette*. The fair wages policy of the dominion government for the protection of workers engaged in the execution of federal contracts has been copied in most of the provinces, and by many municipal authorities and other public bodies in Canada. Experience shows that this policy has been of great value to labour in ensuring standard conditions of wages and hours on public works and supplies. In 1929, an order in council required the application of the fair wages order to works in connection with waterpower development in the prairie provinces.

This policy was given statutory effect and extended to provide for an eight-hour day on May 30, 1930, in the Fair Wages and Eight-Hour Day Act. This statute provided that all persons employed by a contractor on government construction works should be paid such wages as are generally accepted as current for competent workmen in the district, provided they are fair and reasonable, and daily hours of work shall not exceed eight except in special cases provided for by the government or in cases of emergency approved by the minister. Persons employed directly by the government on such work and who are not

under the Civil Service Act are to have similar conditions to those laid down for persons employed by contractors. The 1930 act was repealed in 1935 by the Bennett government but was reenacted with the additional restriction of hours to forty-four a week and an extension of its application to works to which the government gives financial assistance.

On March 27, 1930, an order in council stipulated that, except where work is intermittent or the application of the order in council is not practicable, the hours of work of any dominion government employee who at that date was working more than eight hours a day should be reduced to eight with a half holiday on Saturday. In October, 1941, the administration of the fair wages policy was transferred to the national war labour board, but in December, 1943, it was again made the responsibility of the Department of Labour.

The Technical Education Act was enacted in 1919 under the Conservative regime. Its provisions were based on the recommendations of the royal commission on technical education appointed in 1910 by the government of Sir Wilfrid Laurier. The act provided for financial assistance to the provinces in promoting technical education for a period of ten years in order to enable them to lay the foundations of a system of technical education.

In 1924, a special committee of the House of Commons was appointed, on the motion of the Prime Minister, to make an inquiry into the need for old age pensions in Canada. At the legislative session of 1925, after correspondence with the provinces, the committee recommended the adoption of a system of old age pensions, the cost of which should be borne equally by the dominion and the provinces entering into agreements for that purpose.

A piece of legislation which for years was bitterly opposed by labour organizations was section 98 of the criminal code, which was enacted in 1919 following the hysteria of the Winnipeg strike. Its major purpose was to define and deal with "unlawful associations", but labour generally regarded it "as a threat to the civil liberty which Canadians have inherited as their birthright", and also looked upon it as "a curtailment of freedom of speech and assembly". Following representations made by labour bodies, the Liberal government, during the session of 1936, repealed this obnoxious legislation.

In 1937 the Old Age Pensions Act was amended to permit pensions to be paid to blind persons over forty years of age. The act makes provision for pensions not to exceed $240 a year to British subjects, or widows who were British subjects before their marriage, who are at least seventy years of age, who have resided in Canada for the twenty years immediately preceding, and in the province concerned for five years preceding, the date on which it is proposed to commence the pension payments, and who are not in receipt of annual income of as much as $365. This legislation has contributed considerably to the lessening of the fear of persons who were blind of becoming destitute, and so helps to assure their future well-being.

The Government Annuities Act enacted in 1908 is administered by the Minister of Labour. An annuity may be purchased by any person resident in Canada. The amount of yearly income may be as low as $10 or as high as $1,200. The cost of the annuity varies with the age of the applicant at the time of purchase and at the time the annuity is to begin, the amount of annuity desired, and whether it is to be payable for a fixed number of years or for life. These government annuities have been purchased by people who are thrifty, hard-working and conscientious. I wonder what the effect would be if we in Canada evolved some inflationary method whereby the value of these annuities, earned with so much hard work, would be reduced—how far these yearly incomes would go.

Mr. BURTON: That is why we do not want the price of machinery increased.

Mr. BROWN: Well, my hon. friend got that in last night. I think if he is as conscientious about the price of machinery as he is about interrupting, he can readily find the answer to that difficulty.

The Home Improvement Loans Guarantee Act, 1927, permitted the government to guarantee against loss, lending institutions which are approved by the government and which make loans up to a maximum of $2,000 on a single property or $1,000 for each family where more than one family lives on the property, plus $1,000. The government's liability is limited to fifteen per cent of the total amount of loans made by the institution, and may not exceed in all $7,500,000. The Home Improvement Loans Guarantee Act has contributed in my own constituency to the assistance of labour, by providing work and income for a large number of tradesmen.

In 1938 the Shop Cards Registration Act was passed to protect union "shop cards" as union labels were protected by the Trade Mark and Design Act of 1927.

Another enactment of 1938 was the National Housing Act.

In 1939 the criminal code was amended by the insertion of section 502A, which makes it a criminal offence for an employer to dismiss or refuse to employ a worker for the sole reason he is a member of a trade union or to seek by intimidation or otherwise to prevent an employee from belonging to a trade union. Another enactment of 1939 was the Youth Training Act, which was in effect until March 31, 1943, and under which the dominion government assisted the provinces in carrying out approved schemes for the training of unemployed young persons. The war emergency training programme grew out of the youth training programme.

The Unemployment Insurance Act was passed in 1940, after the British North America Act had been amended to give the dominion parliament jurisdiction in this field. In 1943 the act was amended, the most important change being the removal of the income limit or insurability for persons paid by the piece, hour, day or week, and its extension from $2,000 to $2,400 per year in the case of other employed persons. The possibility of extending the act to various excepted employments is at present under consideration.

In 1942 the Reinstatement in Civil Employment Act was passed, replacing an order in council of June, 1941. The Vocational Training Coordination Act was also passed in 1942, to provide for the continuance and development of training already being carried on under the war emergency training and youth training programmes, and also for the training of persons discharged from the armed forces and persons whom the unemployment insurance commission has directed to attend a course of training as provided by the Unemployment Insurance Act.

In 1943, in addition to the amendments I have mentioned in the Unemployment Insurance Act, the National Physical Fitness Act was passed, and an order in council was passed providing a special war supplement for old age and blind pensioners.

In addition to the foregoing, there were statutes for the relief of unemployment, the National Employment Commission Act, 1936, the Youth Training Act, 1939, the National Housing Act, 1938, and the Unemployment Insurance Act, 1940.

An act of 1939 to amend the Canadian National-Canadian Pacific Act, 1933, provided for compensation to employees deprived of employment or required to take lower-paid employment by reason of cooperative measures by the two railways to effect economy. In 1942 were passed the Vocational Training Coordination Act and the Reinstatement in Civil Employment Act.

The first action by the government to provide for as little interruption as possible in war industries as a result of labour disputes was to extend the Industrial Disputes Investigation Act, November 7, 1939, to war industries, including industries producing goods essential to the community. A formal declaration of principles for the avoidance of industrial unrest was made by order in council in June, 1940. This "government labour policy" declared the right to freedom of association and urged the making of collective agreements by employers and employed as well as the observance of reasonable wages and hours.

To speed up the settlement of disputes, which were unusually numerous owing to the particular stage which labour organization had reached in Canada, an order in council of June 6, 1941 (P.C. 4020) provided that before a board was appointed under the Industrial Disputes Investigation Act, an industrial disputes inquiry commission could be appointed to try to settle the difference and, if not successful, to report whether it was desirable to set up a board.

On September 16, 1941, by P.C. 7307, a strike which would hinder the efficient prosecution of the war was made illegal after a board, under the Industrial Disputes Investigation Act, had reported, until a vote by the employees concerned was taken under the supervision of the Department of Labour and a majority had voted in favour of a strike. Special provision was made to permit the employees of crown companies to join trade unions and to enter into collective agreements with their employers. These orders in council will be suspended, so far as they are inconsistent with the new war-time labour relations regulations, by those regulations.

When the Ontario high court upheld the conviction of a picket under the defence of Canada regulations prohibiting loitering near protected premises, an amendment was made in the regulations to safeguard the right to picket. Labour-management committees, formed to increase production by joint effort, have been encouraged, first by an interdepartmental committee set up a year ago, and now by the industrial production cooperation board, established in January, 1944.

Wages control policy is administered by the national and regional war labour boards, on which employers and labour are represented equally. The cost of living bonus was payable from the time the policy was introduced —October 1941—until the end of 1943, and was designed to protect the basic standard of living. Under the wages control order,

1943, the bonus is to be incorporated in the wage rates but: (a) the Prime Minister has given an undertaking that if the index rises by more than three per cent and remains at that level for more than two consecutive months, the entire stabilization programme will be reconsidered; (b) what was formerly a bonus subject to decrease with a fall in the cost of living is now a ten cent increase in basic rates; (c) the increase in basic rates will be reflected in an increase in overtime rates. As a result of awards of the board, 600,000 workers now receive holidays with pay who did not receive them before the stabilization policy was introduced. Average earnings in the eight leading Canadian industries increased from $26.37 in October, 1941, the month in which the wage control was introduced, to $31.59 in December, 1943—an increase of $5.22 or almost twenty per cent, as compared with an increase of slightly more than three per cent in the cost of living during the same period.

In May, 1941, the minimum rates payable for work on government contracts for the manufacture of supplies were raised from 20 cents per hour for women and 30 cents for men to 25 cents and 35 cents.

Mr. SPEAKER: I am sorry to interrupt the hon. gentleman, but he has already spoken for forty minutes.

Mr. G. S. WHITE (Hastings-Peterborough): In rising to support the amendment of my leader I wish to bring to your attention, Mr. Speaker, certain matters and conditions which affect the farmer in the part of Ontario in which I reside. The county of Hastings and the county of Peterborough are two very fine agricultural districts. They are ideally suited for mixed farming. Hastings county not only produces more cheese than any other county in the province, but also produces the finest cheese. These factories are located at many points throughout the county, and in addition there are many creameries, a large number of cattle and hogs are produced, as well as a fair number of sheep, poultry and large quantities of honey and maple syrup, small fruits and vegetables being also produced and sold.

During the war years the farmers in these two counties made a wonderful contribution to our war effort. The farm supplied a very large number of young men for the armed forces of Canada, and this immediately created a shortage of farm labour. In these counties, as in all other rural counties, many young men and women left the farm to work in industry, which further complicated the labour situation. Yet, despite this great shortage of labour on the farm, the farmers of these counties, in many instances with the assistance of only their wives and children of school age, were able to increase greatly the production of farm products which were so essential during the war years. These farmers carried on without the proper help. In many cases they were unable to replace worn-out machinery. Often it was almost impossible to obtain the necessary farm machinery repairs. Such aids as tractors, milking machines and other mechanized machinery used on the farm, which would greatly assist where there was a shortage of labour, were not available.

It is true that during the war years there were some slight increases in the price of farm products. This was due largely to the payment of subsidies, just as the Acting Prime Minister (Mr. Ilsley) announced a few moments ago that there will be a further subsidy on certain classes of milk. Yet while farm products increased slightly, everything that the farmer had to buy in order to operate his farm or live has increased enormously in price. No one can deny to-day that the cost of living has increased from fifty to a hundred per cent, in spite of what the bureau of statistics may say. All one has to do is to ask any mother who had to feed and clothe a family during the war years; none of them will agree that the increase in the cost of living is as shown by the bureau of statistics.

The farmer was obliged to pay greatly increased labour costs. The price of gasoline was higher. The feed which practically every farmer has to buy at some time or other costs him much more, and any material he bought, such as lumber, shingles or hardware, to take care of the necessary repairs or additions, was much higher in price. The cost of skilled labour was at least double. If he had to hire a tractor, a threshing outfit or anything of that nature he had to pay the increased price. Yet, as I said before, despite all the hardships and handicaps the farmer and his wife—and in many cases she was his only help—did a splendid job in producing the required food for the men in the armed forces and the civilian population.

We find that to-day conditions have not changed or improved very much. Skilled labour is still scarce, and the wages are still high. It is quite true that it is now easier to purchase farm machinery. For the first time farmers are able to take delivery of farm machinery; yet the increase of 12½ per cent does not help the farmer much. If, as pointed out by the parliamentary assistant to the Minister of Finance, the farm machinery companies were entitled to this increase, surely he should

have gone a little farther and made out a case to show that the farmer was entitled to an increase in the return for his products.

It appears to me that one of the real causes of the low price of farm products to-day is that when the price ceiling was set in 1941 during the so-called basic period, the price of all farm products was very low, which was most unfair to the farmer.

In my county and district the production of cheese in 1945 and 1946 will be away down from previous years. The production of butter is also much less. The hog population has been most seriously reduced. One of the reasons for this is that the farmer is simply reducing his herd of live stock to the point where he can operate the farm alone; for he is no longer able to pay the high wages demanded by farm labourers, if the farm labour were available.

In the matter of income tax we find that in the rural districts the farmer is hounded and worried by the district income tax inspector. During the war in industry a wife who was employed in war work was allowed an extra $660, thereby making a total exemption of $1,860 for a married man. This did not apply to the farmer, whose wife and children were often the only help that he had available. I submit that the time is long past when some change should have been made in the income tax allowances to the end that the individual farmer might be given some extra allowances for the work performed on the farm by his wife and children.

I should like to point out that on the return filed by the farmer there is a heading under the list of receipts which reads:

> Miscellaneous sales: . . . cordwood and pulpwood; posts and lumber; trees, saplings, et cetera; sand, gravel and stone; soil . . .

I cannot understand how anyone, even an income tax official, could take the view that the sale of cordwood, pulpwood, posts, lumber, trees, saplings, sand, gravel, stone and soil can be regarded as income. Surely the sale of these articles from the farm should be regarded as capital. Surely in the lifetime of the average farmer he is not going to get a second crop. If he sells his cordwood and his lumber he is depreciating the value of his farm property or the woodlot by the amount he receives for it. If he sells the soil, the sand, the gravel and the stone, he will never have another crop. I believe that even an income tax official would have to admit that any gravel or sandpit will become exhausted in time.

Another item which appears on the farmers income tax return is: "Produce raised on farm and consumed in the farm home." This item has always been a contentious one with the farmer, because, as everyone will realize, the amount of produce raised and consumed on the farm to-day is much less than it was in years gone by. Yet when they come to deal with the district income tax inspector they find that following his usual autocratic procedure he places this figure at an arbitrary amount for each member of the family, and the farmers pay accordingly. I would point out further that so far as the income tax return of the farmer is concerned he is not allowed any depreciation whatever at the present time for breeding stock.

The small number of returned veterans who are taking advantage of the Veterans Land Act shows that to-day farming has small attraction for them. The number taking up farms is small when compared with the number of veterans who are taking small holdings. While we are on this subject I should like to say to the Minister of Veterans Affairs (Mr. Mackenzie) that many veterans complain most bitterly about the long delay and the endless red tape in the district offices in regard to applications under the Veterans Land Act. I have some personal knowledge of that, because I have a number of them in my office, and it certainly takes a very long time to get anywhere with them.

In Ontario the provincial hydro electric system is being extended into many new rural areas, so that for the first time the farmer and his wife will have the benefits of cheap hydro electric power. While the farmer has his buildings, including his house, wired for electricity, he finds that he has to pay the most excessive costs for every type of electrical equipment. Let us, for example, look at the price of an electric stove, which is undoubtedly a necessity, not a luxury. After all, an electric stove is only a few pieces of cheap metal covered with enamel and equipped with elements. Yet when the farmer buys one of those stoves he finds that at the very minimum the price is from $250 to $350. The same ratio applies in respect of practically every other type of electrical equipment the farmer has to purchase.

There is one further point I should like to bring out. It seems to me that the activities of the wartime prices and trade board, which operates through its inspectors a type of gestapo throughout the country, checking up on the activities of every small butcher, and producers of every kind, are not doing anything to increase the production of food. In my section of the country we have inspectors from local offices, inspectors from the head office at Brockville, and on very special occasions we are favoured by the

presence of inspectors from Ottawa. Not only do they check the stores, but they check the coupons when they go to the banks. Many people have told me recently that they have received letters from the head office at Brockville asking for information about the sale of a gallon of syrup, a pail of honey, or perhaps a small quantity of butter. I say in all frankness that the activities of these men, whom I can describe only as gestapo agents, are not relished by the people in the rural districts. They serve only to drive the people into the black market. Certainly they are not such as to encourage the people to cooperate, or to accept willingly these idiotic regulations.

For a number of months in the village of Madoc, in which I reside, we had only one slaughtering permit, owing to the fact that the wartime prices and trade board permit had to be sent to the Belleville office. For a period of more than two months there was no slaughtering permit in that village, with the result that with the exception of some small amounts of pork in the form of bacon and tenderloin received from the packing plants, there was no pork for sale. Despite the fact that the local butcher every second or third day was in touch with the wartime prices and trade board by telephone, or even held interviews with them, nothing could be done.

One unfortunate farmer who sold a pig to the local butcher was dragged down by the gestapo and, with the butcher, landed in court. Only yesterday in that same village the wartime prices and trade board conducted five prosecutions. One of them was against a man who conducts a butcher and grocery business. During the war that man and his wife struggled in every way to hold the business together for their two sons who were serving in the armed forces. But yesterday that man appeared in the police court, charged by the gestapo agents of the wartime prices and trade board because his coupons did not balance. I doubt if anyone conducting a retail business can make his meat, butter, or sugar coupons balance. And it is of special interest that the solicitor who appeared in court yesterday as special prosecutor for the wartime prices and trade board was one of those gutless individuals who obtained exemption from military service in the first great war because of his being a conscientious objector. The sooner the officials who operate the wartime prices and trade board realize they are only antagonizing the public and driving people into the black market, the better it will be for everyone concerned.

[Mr. G. S. White.]

It is interesting to note how these officials operate when they descend upon a small village. Generally they move in groups of two or three, depending upon the kind of business they are about to investigate. Then, as in the army, before they descend upon the victim they synchronize their watches and, at a given moment, inspectors walk into each of the butcher shops, or whatever they are investigating, treating the people as they would treat criminals.

These inspectors are running all over the country at the public expense. Unfortunately their activities generally end in the laying of charges. Returns made in this chamber will show the cost of legal fees in connection with the prosecutions, and it is clear that those fees eat up practically the whole of the fines imposed.

It seems unreasonable that the farmer should be asked to continue to bear more than his fair share of the government's stabilization policy. He did so cheerfully during the war, but to-day he simply refuses to continue. After all, the average farmer who spends a lifetime on his farm leaves very little at the time of his death. After practising law for about twenty-five years in the country I have first-hand knowledge as to what the average farmer leaves. In many instances, where farmers and their families have struggled throughout their lives, it is pitiful to see the small amounts in their estates left for their widows.

In conclusion may I say that I intend to support the amendment moved by my leader

Mr. W. D. WYLIE (Medicine Hat): Mr. Speaker, such a variety of subjects has been discussed in the debate that one would think there might be nothing left to discuss, and that therefore one must necessarily cover the same ground. However, coming from an agricultural constituency, I find I must say a few words.

There is general dissatisfaction among most of the farmers out west—at least that is the way I find it in my own constituency. They want stabilized prices to compare favourably with the prices of the articles they must buy. The greatest trouble to-day is that the prices of the commodities the farmers have to sell are almost stationary, while those of commodities they must buy are advancing almost every day. We had a good illustration of that recently in the increase of 12½ per cent in the price of farm machinery, coming at a time when most of the farmers are in the market for new machinery. During the war they were unable to buy the machinery they required, and had the old ones patched up.

Quantities of hay-wire the farmers had accumulated in the bad years were used for that purpose.

Along with the increased machinery prices went an increase in the price of gasoline. I think I am right when I say that the price of everything the farmers have to buy is going up, including machinery, fuel oil, and lumber. Besides, the lumber is of inferior quality; it is wet and hardly fit for use. The farmer must pay increased prices for his clothing and most of the groceries he has to buy. Naturally in view of these conditions there are many complaints.

We have heard a good deal about the production of grains and live stock going down. This is true of my area. In 1942 we had an average yield of fourteen bushels to the acre, which is a good average for the drought areas of southern Alberta. If they had that yield in the northern part of the province they would consider it more or less of a failure, but we are not used to high yields in the south. The fall of 1942 was quite wet and a considerable amount of grain spoiled. It was combined when it was damp; the farmers, not being able to dispose of the grain under the wheat quota system, had to put it in bins, and some of it was partly heated. Of course that could be used only to feed live stock, and therefore the farmers went into the production of hogs. Many farmers in my area who had never had a hog on their farms went quite heavily into hog raising, many of them having as many as two hundred hogs. As soon as the 1942 crop had been fed or disposed of, they entered again into the dry years. 1943 and 1944 were poor years, but 1945 was poorer still, and the farmers found themselves with no feed. I think this accounts largely for the reduction in the production of hogs in my area. We know that in other areas where feed was available the farmers have gone out of the production of hogs because of the increased prices brought about by the subsidies on barley and oats, there being very little wheat fed to hogs. The 1945 production of grains and all live stock, both hogs and cattle, was down. I should like to read a newspaper clipping under date of November 1, 1945, in which the Minister of Agriculture is reported as follows:

> Agriculture minister Gardiner announced yesterday that under provisions of the Prairie Farm Assistance Act the 1945 crop year has been declared an emergency year and assistance will be given farmers whose crops have suffered from drouth and other causes.
>
> He said more than 3,000 townships in the eastern half of Alberta and the western half of Saskatchewan had suffered from the severest drouth since 1937. Without aid under the P.F.A. "thousands of farmers otherwise would be unable to carry on" until the next crop was harvested.
>
> Since the act was passed in 1939 the only crop year which has not been declared an emergency year was that of 1942-43.
>
> Assistance payments under this act derived from a fund to which each farmer contributes one per cent of the amount he receives on grain sales each year. These contributions to date have constituted more than one-third of the assistance payments made since the act came into force and the remainder was provided by funds from the treasury of Canada.

This shows that production was down over a very wide area. In those 3,000 or more townships the average yield of wheat was less than four bushels per acre. When the yield is below four bushels there is not much to cut, but the farmers go out with their combines to save what they can. Many farmers got only enough for seed.

What I have said makes it clear that we should press for irrigation in this area. In comparison with the low production in these areas during the last three years I would refer hon. members to what happened on a tract of land 250 acres in extent along the South Saskatchewan river which has been under the control of the dominion government for about three years. A press report reads:

> The dominion government will profit this year by about $39,000 through the Golden Valley farm, a 250-acre tract near Medicine Hat, operated by the Medicine Hat internment camp. German prisoners of war interned at the camp provide all the labour for the farm. Products from the vegetable farm—the largest in Alberta—go to military establishments in the province through the district supply office of military district No. 13.

This shows what can be done when water is pumped on the land or there is an irrigation system. That farm was operated with the help of German prisoners of war, and it is really worth seeing. The same applies to the Lethbridge area, where sugar beets and other crops are raised. I often think that the farmers around Medicine Hat have more courage than anyone else, because they will continue to put in a crop year after year and pray for rain which never comes. It is a "next year" country. Every spring they go out and put in a crop which usually comes up nice and green. But quite often, as occurred this spring, we have dust storms almost every other day and thousands of acres of grain are ruined. But the farmers always hope that they will have a crop, until along about the first part of July the hot chinook winds come along and the temperature will run to about one hundred in the shade for a number of weeks without cooling off at nights. Then the farmers must sit back and watch their crops wither and dry up.

When you get into the irrigated areas it is entirely different. Last year in the Taber-Lethbridge area they harvested 362,000 tons of sugar beets from which the farmers received a good income. I should like to read another press report published in Lethbridge on April 10, 1946, as follows:

A second subsequent sugar beet payment, amounting to nearly $100,000 now is in the mails for more than 1,300 farmers who raised sugar beets in southern Alberta last year. The payment represents 25 cents a ton on the 1945 production of 362,000 tons, and brings returns to growers on their 1945 beets to $8.80 so far. The growers received an initial payment of $8 and a first subsequent payment of 55 cents a ton late last year.

The farmers in that area are prosperous. When they sow a crop they have something to harvest.

The cattle producers in my area are more or less dissatisfied. There is a price ceiling, of course, in the butcher shops, but the farmer who takes in his stock may receive 12 dollars one day and 11 dollars the next day. These fluctuations are bad for the farmers. I want to read a letter that I received from a large rancher in my district. He runs about 1,500 head of cattle. He grows very little grain—only enough for feed. This is what he says in his letter:

It is hard to convince those fellows down there that there is anything important west of the great lakes.

There is no doubt we are headed for real trouble in the cattle business. I can never understand the big fluctuations in the price of live cattle when there is a definite ceiling and floor on the beef. The consumer never gets it any cheaper, whatever the price of live cattle might be.

Another very interesting sidelight on the markets this year, at least to me, was the prices paid for ranch cattle. Most of the ranch steers I know of sold from 11·50 to 12 dollars weighed at the ranch. This means 50 to 75 cents a hundred more than on the market as it costs about that to put them on the market. My own steers sold for 11·75 at home. At that time choice steers in Winnipeg were quoted at 11 dollars. While I was very pleased to get $1.50 over the market I couldn't see any reason for it, unless the packers wanted to keep us quiet as we are the only organized producers that seem to object very strongly to the way the market is handled.

He belongs to the Western Stockgrowers association and to the Short Grass association, so in that way they are organized. The ranchers, of course, received a better price for their cattle. That may be due to the fact that they raise larger numbers, and on the average they may have a better class of cattle. The writer of this letter has 1,500 head of well-bred Hereford cattle; every one of them is white-faced. We have other large ranchers in that country, one running 3,500 head of cattle and another about 4,000. These cattlemen will tell you that they have made money during the war, but they suffered plenty in the bad years before the war from low prices.

It was amusing to me the other night to hear the hon. member for Springfield (Mr. Sinnott) discussing the prices paid under different governments. He quoted the prices paid in 1929 when the Liberal government was in power and the prices paid in the nineteen thirties when the Conservative government was in power, but he failed to mention what the present government paid for cattle in the fall of 1937 in their dominion cattle-buying scheme. One cent a pound is what was paid for cattle at that time, when the present government was in power. The price of hogs was down too; everything was down. I was out on that scheme along with dominion buyers, and I know what it was. I spent about a month with them going from one town to another organizing the buying days and taking applications from farmers to sell cattle. So, after all, the present government's record in the matter of prices is not good. I know it is the habit for a member to praise or condemn the government according to which side he supports, and he does not present the whole case.

I also heard the hon. member for Maple Creek (Mr. McCuaig) mention the price of wheat in the spring of 1938. He was speaking of the price of seed wheat supplied by the wheat board to the farmers in the drought area. I had a large part in that work as provincial inspector in the area from which I come. I issued 52,000 bushels of seed wheat on relief at $1.48 a bushel to farmers in that area. That fall, when the farmers went to sell their wheat, it was down to 50 cents a bushel. That is why farmers want stabilized prices. They have had all they want of a speculative market. The farmers have paid back these seed grain accounts, and that says a lot for the farmers. I had the pleasure of collecting most of that money, and the farmers had the pleasure of being able to pay it back. It is true that many objections were made to having to pay back at the rate of three bushels for every one bushel they received, but that is the nature of the farmers in that drought area.

We hear a lot of complaints from farmers about the income tax. While it is true that a large number of farmers in that area have not a large enough income to pay income tax, there are many others who do pay income tax, and they feel that the exemptions are not high enough, and rightly so; I agree with them on that. We should do what we can to raise the income tax exemptions not only for the farmers but for the workers as well. The man

who has been really hard hit by the income tax is the man on straight salary, as I was myself when I was working for the provincial government. We had no opportunity of chiselling, if I might use the word. We received our cheques every month with ninety per cent of the tax deducted, and if the tax had not been deducted at the source I am sure it would have been impossible for many of us to pay the income tax at the end of the year. The farmers are in exactly the same plight. They want the income tax exemptions raised, and they should be raised.

Prairie farm assistance has been a big help to many of those farmers. It has been their main means of livelihood in the last three years. If it had not been for that, many of them would have been forced on relief. So when they come out and fight for stabilized prices I feel they are fighting for something they should have. Stabilized prices must bear some relation to what the farmer has to pay for the things he buys.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, I want to say a few words concerning the question now under debate. In recompense for the period of sacrifice through which they lived during the war, the farmers are entitled to enjoy all possible protection and assistance from the government. Prices of agricultural products must be maintained at a reasonable level, and the cost of farm implements must not be increased in the most difficult times which are experienced by the farming community and, indeed, by every class of the Canadian people. If you increase the price of farm implements you necessarily raise the cost of production, and the fullest agricultural production is essential to the salvation of the world at this decisive moment. By every possible means, and particularly by expanding production and extending markets, the government must help the farmer. I wish to point out that it is quite impossible for the average farmer to make out income tax reports, and at the last session I asked the government to appoint accountants to help him. This would be in the public interest, as well as in the interest of the government.

(Translation): Mr. Chairman, I know my people's needs and am against the maintenance, in peace-time, of a dictatorship established during the war. The duly elected representatives of the people have been supplanted, in Canada, by a bureaucracy. Such a dictatorship paralyses activities in every sphere of our national life.

We are resorting to the very totalitarian methods which Canada has fought to the limit of her resources. A parliament elected to serve rather than enslave the people has had to yield its supremacy to commissions enjoying unrestricted power, although not responsible to the people. State paternalism is being established permanently and forever within the intricate machinery of government. Canada, with its planned economy, is progressing towards socialism. Our government is continually resorting to controls. Free enterprise and trade are being jeopardized by the anti-social attitude of a powerful clique of bureaucrats, while our civilian population greatly lacks life's very essentials. Farmers cannot secure agricultural implements without which they are unable to cultivate their land. The government has just abolished the consumers' milk subsidy, and yet milk is surely not considered a luxury. It is indispensable to every child's growth and health. The very shortage of food and other goods would seem to justify controls. And yet controls are the best means of increasing the scarcity of foodstuffs and industrial products. Due to a controlled and misdirected economy almost four hundred thousand persons are now unemployed in Canada. And in this upheaval of this country's social and economic security, the government seems to ignore the prerogatives and the jurisdiction of the provinces.

I alluded a moment ago to the increase in the prices of farm machinery. It would be interesting to recall the words uttered in this House on May 2, 1938, by the Hon. Minister of Agriculture (Mr. Gardiner), which are found on page 2429 of *Hansard*:

> Agriculture, which is the greatest primary industry in Canada, refuses to be bled any longer by half a dozen manufacturing plants which give as their only real reason the fact that they are employing 4,159 men.
>
> We as a farming population have thousands upon thousands from Halifax to Vancouver and Victoria, and those thousands upon thousands should not be called upon to pay enhanced prices for farm machinery.

Why this sudden about-face, at a time when agricultural production should be intensified everywhere? European and Asiatic countries are in the throes of famine. They beg America to come to their assistance. The increase in farming implement prices will intensify the severe food shortage affecting the whole universe. This crisis, attributable to a policy lacking in foresight, will not be abated by discussions in conference. Canada and the world are dying of conferences and inaction. The producing countries, whether of America, Europe or Asia, should stop deliberating and start acting and launching a complete programme of agricultural production. Controls work to the advantage of black

market racketeers. Consider what has happened in Canada and abroad. The people are shamefully exploited by a band of crooks, who are the shady agents of business and industry. Our countrymen must pay the highest prices for the necessities of life. One might claim that there are no farming implements. I say that is untrue. Ask those who have them how they endeavoured to secure them. Is increasing the price of implements of production a reasonable method of solving the food problem? We know that the most powerful nations are waging a tremendous battle for securing the agricultural and industrial markets of the world. There is much more petty interest than international charity in the background of the discussions of those sociology, trade, industry and diplomacy experts. Canada also has her experts. There was a time when she had famous ones. Not long ago, those agricultural geniuses prevailed upon the government to pay to the western farmers four dollars per acre provided they did not produce wheat. We need a comprehensive programme of agricultural and industrial production. The controls which bear heavily on the farmers and workers should be abolished. The time has come when normal life should be resumed and the administration of this country should be taken away from bureaucracy. Foreign countries which waste their energies in civil wars should at last think of tilling the soil in order to feed themselves. Is it reasonable that peace-loving countries should continue to be providers of food for those who spend their time killing one another immediately after the most frightful war the world has ever seen? The time has come for the united nations to put a stop to a situation that is both tragic and ridiculous. They have the necessary authority to deal once for all with such a situation, which the advocates of false doctrines and subversive ideas are interested in perpetuating. In conclusion, I wish to sum up my opinion as follows: Let us proclaim peace; let us resume a normal life and set in motion the machinery of Canada's agricultural, industrial and economic life.

(Text):

Mr. J. O. PROBE (Regina City): I believe that to most hon. members in this house the subject in debate this afternoon is a good deal more important than whether some machinery cartel is to get an extra 12½ per cent from its customers as a result of the government's action of some five or six weeks ago. There is no question that, as far as the Liberal side of the house is concerned, the defeat of the amendment and the subamendment is an acceptance of the government's action in the whole field of price structure and is, in other words, a motion of confidence in the track along which the government is now guiding the people of Canada.

To the Conservatives to my right, if we accept the amendment of the leader of the opposition (Mr. Bracken) it will mean that we are prepared to extend the high-priced patches that have developed here and there in the Canadian economic structure. Finally, of course, within a very short time we shall let the flood-gates of inflation open wide, and we shall in the economic field return to the law of the jungle which, after the last war, proved so successful for the people who had the materials to take advantage of the power given them.

To the members in this group, Mr. Speaker, the acceptance of the subamendment as proposed by the hon. member for Qu'Appelle means that the government is prepared to withstand firmly all attacks on our domestic price structure and that, while it is withstanding the attempts of interested groups to inflate prices, it will at the same time do something to repair, more or less scientifically, I hope, the haphazard weaknesses that have already developed in that price structure.

I simply wish to remind the house of the subamendment as it stands:

> This house is of the opinion that the government's policies of permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in imposing on food producers and workers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

The effect of the Tory amendment, as I said, was to demand the removal of all price ceilings, whether on lumber, farm products, labour, milk, machinery and through the whole list and this is in keeping with their concept of free enterprise and the theory that economic might is right. I do not think there is any equivocation about that position.

The leader of the opposition did argue, and he advocated, that this amendment would for the moment give a price benefit to the farmer who still has some produce to sell; but in the race that would take place, of rising prices for the manufacturer, the farmer would lag behind, as he did under the Tory spiral following the first world war, and the organized worker and the professional groups would come along a miserable third in any race of that sort, while the pensioners and those who have small fixed incomes would, as always, be carried along on a stretcher.

Under free enterprise unfettered, the economic spoils always go to the man who has the strength to take advantage and to be ruthless in exploiting the advantage that he has. The

C.C.F. group reaffirm a consistent belief—and I think it is shared by other corners of the house, though rarely expressed, unfortunately—that the lion's share of the national income under capitalism can go only to those in the strongly entrenched positions, and that price controls must be retained, strengthened and readjusted scientifically from time to time so that the primary producer, the secondary producer, the worker, whether in office, field or factory, the pensioner and the helpless may all share on more equal terms the fruit of the national effort.

The duty of a civilized government, as I see it, is so to legislate by majority decision that the acts of its parliament serve the best interests of all its citizens and protect those members of the state who are unable to protect themselves. Any act of government is fundamentally wrong if it puts any individual or group in a position less fortunate than that of any other individual or group. For a short time, and only by pressure of war needs and in a few imperfect aspects, the government of the Minister of Finance (Mr. Ilsley) caught this moral value that I speak of, of planning in accord with the social philosophy of the C.C.F. It did institute a system of war-time price and wage controls, but because the Liberals do not believe sincerely in the fundamental or lasting value of such a system the policy was only a partial approach to the problem.

To the Liberal government the price control system is good only in the crisis of war when national survival is at stake, but it is useless in every-day crises where the existence of a decent livelihood for the Canadian family is at stake. The profit-first idea is clearly exemplified in the statement made by the Minister of Finance on April 15, as reported in *Hansard* at page 853, when he told this house why he had to agree with the 12½ per cent price rise on farm machinery. Apparently he consulted only with the machine companies. He accepted their figures and arguments. I could not imagine the Minister of Labour (Mr. Mitchell) accepting without additional check such a submission on the part of the workingman in whose interests he says he acts so impartially.

The Minister of Finance accepted the machine companies' statement that the labour cost of making machinery has risen by 28½ per cent since 1941, that materials have risen by 20 per cent and general overhead by 23 per cent. The parliamentary assistant did make what I think is a superficial report to the house on the increased costs on May 15. At any rate it is reported at page 1552 of *Hansard*. In the main the parliamentary assistant's declaration to this house is based on the interested company's evidence before the wartime prices and trade board. In the words of the Minister of Finance the increase was not given on the score that it would keep the poor companies from bankruptcy. No; in their present strong financial position they would have had a job to argue to a government who first thought the proper way to aid production last fall was to throw off the 20 per cent excess profits tax burden that crushed that initiative which private enterprise was credited with having. No such argument was needed. The argument, in the words of the minister, was that the machine companies deemed it desirable to regain their 1941 profit percentage margin, and that a mere 12½ per cent price rise meant a serious profit squeeze for industry.

History has a habit of repeating itself. In April, 1937, the agriculture committee, appointed by the Liberal government to report on high machine prices, found that the machine companies had too high a mark-up on their wares, and that their pressure for price increases was unwarranted, and that since the profits on replacement parts were excessive the price of these to the consumer should be reduced. At about the same time the Saskatchewan government, also Liberal, made substantially the same report as did the committee at Ottawa. Yet despite these public recommendations the machine cartel in recent years has kept jacking up its sales price until the following figures now apply. In 1936 there was a price increase of 4·4 per cent on machinery. In 1937 there was a further increase of 7·8 per cent. Some time between 1937 and 1941 there must apparently have been an additional increase if the figures stated in this house by the parliamentary assistant to the Minister of Finance on May 15 were correct.

I wish to put on *Hansard* a list of prices for four or five of the implements mentioned by the hon. member for Victoria, British Columbia (Mr. Mayhew) the other day, with the figures for 1936. The retail prices in the southern part of my province, and the prices without the freight added for 1941 and 1946, according to the hon. member for Victoria, British Columbia, are as follows: On an eight-foot binder the Assiniboia price in 1936 was $290. This figure is taken from a little volume which was compiled in 1937 by the agricultural farm implement prices committee. In 1941, according to the parliamentary assistant to the minister, the same binder, or approximately the same binder, without freight from the factory to the prairies had risen to $340.50.

The machine companies have now received the blessing of the wartime prices and trade board to jack that price up to $383.05. I shall now give the comparable figures in all three of these columns. First of all the twenty double disc drill: in 1936 the price at Assiniboia was $261; in 1941 it was $320.75, and in 1946, $360.85. The five-foot mower was $121 in 1936, and $118 in 1941. There is a drop there, by the way, between 1936 and 1941. I do not know just how to explain that. They are making plenty of hay now. In 1946 the price was $132.75. I now come to the eight and a half one-way disc. In 1936 the price was $326; in 1941, $358.75, and in 1946, $403.60. The manure spreader was $200 in 1936, $221 in 1941, and $248.65 in 1946.

In the last ten years there has been, as there has been throughout the duration of the business lifetime of all these companies, a consistent set of prices, generally in an upward direction, with no relationship whatever to the economic conditions that prevailed at the time. I enjoyed reading the remarks of the hon. member for Dauphin (Mr. Zaplitny), particularly where he said that the Minister of Finance was taking great pains to push down the price of machinery upwards, or something to that effect, which is an anomaly that we are getting used to here. That is the experience in this house. The machine companies have literally snapped their fingers at the Liberal government, not only in 1937 but in 1938 and 1941, and they will do so again at will. Why should they not?

The figures produced before the 1937 committee showed that when an eight-foot Massey-Harris binder was selling at Regina at $280, the total factory cost was $128.29, made up as follows: labour $13.50; materials $89.52, and overhead, $25.27. Then they allowed $40 commission to the dealer. That is about three times the amount that the men in the factory who worked on the job of production received. The freight to Regina was $38.22. As a result of all this, the profit to the Massey-Harris company, using their own figures, was a meagre 57 per cent on the factory cost of the binder. If we use the figures provided by the parliamentary assistant to the Minister of Finance, some time between 1937 and 1941 the price was raised to $340.50 without the freight. At this stage the wartime prices and trade board stepped in and called a halt. Prices were frozen in 1941. They froze the price on the poor companies, but in April of this year, with the farmers frantic to buy anything they could get hold of, with selling costs cut—on the admission of the parliamentary assistant to the minister the other night, the selling costs to the company were cut forty per cent—the Minister of Finance is gullible enough to accept the companies' hard-luck tale—if he does accept it—that since labour costs are up 28½ per cent, since material costs are up 20 per cent, and since general overhead, whatever that is, is up 23 per cent, they must have a price increase so that they may regain their 1941 profit percentage.

Mr. ILSLEY: No. I made it clear that the board did not let them regain anything like their 1941 percentage. I made it clear that the board did not accept the application of the companies. They were cut away down.

Mr. PROBE: As I remember the minister's statement, he told the house at that time that the companies wanted an increase of 30 per cent in their price structure in order that they might break even on a 1941 profit level. Then the minister proceeded to explain that he had sternly held them down to a mere 12½ per cent, so that they are not quite going to make their 1941 profit margin.

Mr. ILSLEY: They are going to fall far short of it.

Mr. PROBE: I will try to indicate what I think they are getting. Of course I may be all wet in what I am about to say, but at least I am using statistics furnished in the house and out of it by official groups. However, I shall come to that point a little later.

Last session when I heard the minister argue that the government could not allow farmers' wives to be considered as employees, for income tax purposes, and when he rejected the plea from this group to use $1,000 and $2,000 as the exempted amount for salaried income tax payers, I was sure—and I still think it privately—that the minister was a hard-hearted gatherer of revenue.

When the government rejected the plea of the Saskatchewan farmers to have the seed grain advance from Ottawa in 1938 written down as a partial gift from Canada to tide those of us in the prairie provinces over a series of catastrophes that only the prairie breed can take—drought, grasshoppers, low prices, hail and rust—

An hon. MEMBER: And Liberals.

Mr. PROBE: Yes, and Liberals, for years.

Mr. JOHNSTON: The hon. member is naming the pests.

Mr. PROBE:—and when almost three years after the war began the cabinet rejected the prairie plea for dollar wheat made by a delegation of 400 farmers on parliament hill; when

now federal funds are so low that the Minister of Finance is prepared to take the milk bottles out of the mouths of workmen's and veterans' babies rather than maintain the two-cent per quart subsidy; when labour pressure to get a greater share of the national income is grudgingly accepted by the war labour boards after strategic delays running into months and years, for we are told that inflation always comes when industry must pay the man who toils a few miserable cents more, but never to be blamed on less production; when the government cannot match provincial grants toward old age pensions; when the Liberals are happy to let the grain farmer carry the whole load of selling cheap wheat to starving millions and to the Canadian public as well—when I see all these evidences of an iron will in the Department of Finance, if I were not a socialist and, by virtue of that fact, too expert in the ways of capitalistic economics, I should rest assured that the Minister of Finance would put up a pretty stiff fight against any inroads upon price ceilings. I should be naive enough to believe that the minister would not accept as gospel any representations of a capitalist group whose interests lie in wrecking a controlled price structure by any means.

But even though the Liberals behind the Minister of Finance must have felt uncomfortable when he accepted the price increase on what I consider flimsy data at this time, to capitalists, including my hon. friends to the right, his actions would appear much more logical. The Tories must have shouted with glee, because it made their amendment for complete price control removal a natural sequence, which even the Liberals, if they wish to be consistent, must support.

The hon. member for Halton (Mr. Cleaver) delivered a most excellent speech the other evening dealing with the subject matter of price control.

Mr. ILSLEY: Does the hon. member take the position that from now on and for a considerable period there should never be any lifting of price ceilings whatsoever?

Mr. PROBE: Those of us in this group believe in a stabilized price structure, and we believe that when changes are made they should be made after some scientific perusal of the entire economic structure of the country.

Mr. ILSLEY: So they are.

Mr. PROBE: So that if that is so, there must be something wrong with—

Mr. MACKENZIE: Your thinking.

Mr. PROBE: —the statistics on which the Minister of Finance operates.

I was going to state that the other evening the hon. member for Halton referred to certain figures with which I cannot agree. He remarked that the incomes of farmers had increased to a relatively high point in the period 1939-46, and made the further statement that there were 1,717,000 employees receiving an average weekly wage of $29.85. The hon. member implied, in a sense, that these workers were receiving fairly generous treatment, as were the farmers. But then the hon. member stopped in his argument, right where he should have started, because right in this country we have more than farmers and more than labourers. We find in Canada all the economic groups which must be considered in any discussion of price structure. That is the quarrel I have with the stand taken by the Liberal government.

I wrote a letter to the bureau of statistics asking for the number of people gainfully employed in mining, forestry, fishing, agriculture, manufacturing, construction and so on, running through the list of industrial activities in the country. I also tried to get the value of the production under each of these various headings, so that I might have some way of satisfying myself with respect to the relative incomes of the various groups, according to numerical relationships. If the Minister of Finance did something like that, and then proceeded to examine these figures and rearrange the price structure so as to give some increase to the group which is obviously suffering from economic deficiency, then I could agree wholeheartedly with him in that scientific approach.

But, to begin with, the bureau of statistics could not give me relative figures because, as they pointed out, they had not yet been able to break down the national income series into industrial groups. To be scientific in this matter, I believe the minister should have that information. Let it be understood that I wish to give him credit for sincerity. But if this statement is correct, he has not sufficient statistical information at his command; or, if he has it, certainly we cannot get it when we wish to make comparisons with respect to the job he is doing.

Mr. ILSLEY: What is the scientific principle the hon. member is advocating. Is it the equalization of income of all Canadians?

Mr. PROBE: No. I would not suggest that the Minister of Finance for his enormous efforts should receive the same salary that I, a humble C.C.F. member on the opposition benches, should receive. I did not mean that.

I mean that if there is a group in a preferred position so far as income is concerned—from the dividend statements I am sure the machine companies are—and that group comes to the Minister of Finance and asks him so to regulate the wartime prices and trade board that they can jack up their prices another 12½ per cent, the minister should be in a position by the use of those figures to say, 'No, in the national interest we cannot accede to your request." If a group of laundresses present a plea that there be some relaxation in their prices the minister, by an examination of the facts, should be able to decide whether they are entitled to some price adjustment.

Mr. ILSLEY: Is the economic standing of the applicant material if the question arises as to whether he has to produce at a loss or not? Does the hon. gentleman take the position that the board should require people to produce at a loss if they are wealthy enough?

Mr. PROBE: If I were the Minister of Finance the first thing I would say to Massey-Harris and the Case company is, "Get those factories producing first, and then we will take up the question of your price structure and the allowances to which you claim you are entitled."

Mr. ILSLEY: I am not entitled to answers to my questions, so I shall not press them.

Mr. PROBE: Before the Minister of Finance got me sidetracked temporarily I was going to say that the hon. member for Halton had given a partial analysis of the improved position of the farmer and labour, but I think he fell short by not giving the improved positions of other industrial and occupational groups in this country. I do not think he could have done that because of the manner in which our statistical information is set up. Some change should be made in the statistical summaries so that we can get that readily. I should like to quote what the hon. member said as reported at page 1564 of *Hansard*:

> I concede . . . it is possible that considerations were extended to some small groups of labour which were too generous . . .

In other words, they are being too well paid. Further down on the same page he said:

> I think that, compared with the total national income and with the taxes of all the groups in Canada to-day, agriculture is getting a proper proportionate share of the total as far as it is possible for any human being to bring this about.

[Mr. Probe.]

That is the way in which one sincere member on the other side of the house talks about price control—it is not possible. As I said, the Minister of Finance should give the house some figures of the net incomes of various groups in this country. He should also give the numbers in each group that are gainfully occupied, so that we could see if there is any justification for the suspicion in the minds of hon. members on this side that the machine companies are getting more than fair treatment. We would then have an opportunity to revise our estimate of their place in the economic picture or be publicly castigated by the government for the position we have taken.

It is time that there was brought out into the open the net income of labour and professional men. Fishermen were mentioned yesterday by the hon. member for Queens-Lunenburg (Mr. Winters), who suggested that the C.C.F. amendment did not refer specifically to fishermen as food producers. I take exception to that. There is no suggestion that fishermen are producing anything but food, except those fishermen in the house who are producing red herrings. We should have more information as to the income of distributors as well as the returns on invested money as compared with the returns received by others. While I do not believe in the omnipotence of money, we still must use money as a yardstick. I realize that the Tories have been sick so long that they are like the lion who has come to full maturity, who is old and mangy but who still roars every once in a while, believing that by virtue of that roar he still has mastery over all other creatures.

Before I conclude I should like to give the minister one small set of figures. Based upon the 1936 cost of farm machinery, which is the only official figure I can get, the labour cost of a binder selling in Saskatchewan for $280 was $13.50. Accepting the plea of the machine companies to the minister that they have had to increase wages by 28½ per cent and allowing that increase in full, the labour cost would be only $17.28.

Mr. ILSLEY: That is just the direct labour cost. The other materials are filled with labour costs and factory overhead is filled with labour costs.

Mr. PROBE: I have those figures. The material cost of that binder was given as $89.52, and if this cost is increased by 20 per cent, which was suggested by the machine companies as the increase required, the present 1946 cost would be $107.42. The overhead cost was given as $25.27, and allowing a 20

per cent increase there would make it $31.03. In other words, the factory cost in 1936 was $128.29, but on the basis of the figures I have given it would now be $155.73.

Mr. ILSLEY: Surely the hon. member should not compare the 1936 figures with those for 1946. The increases that I gave were from 1941 to 1946.

Mr. PROBE: That is hedging on the part of the government, because in 1937 those prices were considered to be too high. They were raised 4½ per cent; they were raised 7½ per cent; then there was another increase which I could not determine exactly because I had only the figures given by the parliamentary assistant to the Minister of Finance. At any rate, the western price had gone up from $280 with freight to Regina, to $383.05 without freight. That is an increase of $100 plus whatever the freight is from the factory to the prairie in those ten years.

Mr. SPEAKER: I am sorry to have to inform the hon. gentleman that he has spoken for more than forty minutes.

Some hon. MEMBERS: Go ahead.

Some hon. MEMBERS: Time.

Mr. PROBE: I thought I would take only five minutes more but the Minister of Finance has taken about fifteen minutes of my time.

Mr. SPEAKER: If the hon. member has unanimous consent.

Mr. PROBE: I will try to be brief.

Some hon. MEMBERS: Go ahead.

Mr. PROBE: The Minister of Finance agrees with us that there was no great increase in the wage structure between 1936 and 1941. From then on there was an upward adjustment of 28 per cent in the price of labour and an increase in overhead of 23 per cent, which should be offset against a reduction in selling costs of 40 per cent, which was admitted by the parliamentary assistant; and there should be a further offset of 20 per cent because of the excess profits tax allowed to these companies. A bogey is being made of increased labour costs, and I am trying to show by the statistics of the government itself that the labour costs on this $383 machine are $17 odd. Any figures that you can produce—and I have gathered a lot of them—never show labour costs on farm machinery at any stage as amounting to more than 8 per cent of the ultimate cost. The hon. member for Qu'Appelle (Mrs. Strum) gave to this house the other day the highest figure I have heard of labour costs in the manufacture of a binder, as compared with the official figures in the United States and Canada, which are roughly five per cent. When wages go up we have inflation. But when machine prices go up we have a price adjustment. That is the philosophy on the other side of the house, and that is the philosophy to which I take violent exception.

Mr. R. N. JUTRAS (Provencher): Mr. Speaker, I listened attentively to what the hon. member for Regina City (Mr. Probe) had to say. I was pleased to hear his first statement, that the question before the house to-day is a very broad one indeed and takes in a lot more than just the motion before the house and the amendment. He stated specifically that anybody who voted against the motion or against the amendment voted against the principle of controls as they are applied to-day. So that the motion before the house is distinctly a motion of non-confidence in the present administration. It is in that aspect that I view the amendment moved by the leader of the opposition (Mr. Bracken).

As I said, this question is a very broad one. It did not start last week. It is a storm that has been growing over a long time. There has been constant pressure on the government to remove the controls. There came to my mind, when considering this question, a speech that I had read some time ago by Mr. Burton, president of the Robert Simpson Company Limited, who I think was the first responsible man to start the ball rolling. In a famous speech which attracted a great deal of attention in this country he specifically and clearly stated:

> Now that the war is over, controls over wages and prices are no longer needed nor are they in the public interest.

The ball started from there more or less. Later on, many of the larger companies in this country followed suit. I have here a circular letter of the Searle Grain Company Limited on price regulation in which it is clearly stated:

> When commodities become scarce, prices rise, and so curtail consumption and tend to induce greater production, which is what is needed to restore the balance or equilibrium. When commodities become too plentiful or in excess of demand, then prices fall and so tend to induce greater consumption, which in turn automatically tends to clear away surpluses, and to reduce production, all of which helps to restore a better balance between supply and demand. Freely moving prices, therefore, as registered on open commodity markets, tend to regulate the economic activities of man in quite a successful way on the average, and in a manner that tends to ensure the proper quantity of production of any commodity needed by the people, and that amount of consumption required to clear away surpluses. No governmental method of planning, or of "fixed" price, has ever been able for long to accomplish these important functions.

I have given these quotations to show the pressure that has been put on the government lately to remove controls. Later on, the Progressive Conservative party in convention ratified that principle. Shortly afterwards the leader of the opposition made a speech in which he announced that he was fully behind the removal of price control and now finally we have this motion of non-confidence in the government, which is the first shot fired to blow away the ceiling in this country. The position, therefore, of the government and of the official opposition in this house is quite clear, and cannot be mistaken. I know that hon. gentlemen opposite are sincere in their belief. They do not believe in controls.

I must admit that the removal of controls frightens me dreadfully, because I still have in mind the dreadful consequences of the period of inflation that followed the first great war. If we were to remove the ceilings on all farm products it would not be long before we would have no controls at all in Canada. I think everybody realizes that if we were to remove controls on the primary products of agriculture, the major industry of this country, all ceilings and all controls would go sooner or later. So that if the decision has to be made, it must be made now. Coming from Manitoba as I do, I am quite satisfied that if the controls were removed to-day the small progress which our farmers have been able to make in the last decade would certainly be lost, and they would slide back to where they were in the inflationary period after the last war. Surely we have not forgotten the experience of the past. I have here an editorial from the Winnipeg *Free Press,* by Grant Dexter, dated April 19, 1941, which reviews the picture so far as prices after the first great war are concerned. I quote:

> Cash wheat prices on May 11 and 12, 1917 (No. 1 northern) stood at $3 a bushel. Control came Sept. 12, and $2.12 was paid for the 1917 crop, $2.29½ on 1918 crop, and $2.63 on 1919 crop. After control was lifted, cash wheat went to $2.85 before the crash in prices began. Barley reached $1.68; oats, 93 cents, flax seed, $4.80 (It had been $6), hay, $40 per ton, cattle, 16 cents on the hoof, hogs, $23.74 per hundredweight. Butter was selling at 75 cents per pound; eggs topped $1.25 per dozen; sugar, 30 cents per pound; potatoes, $2.60 per bag; fresh ham, 46 cents per pound; fresh bacon, 47½ cents; cured ham, 50½ cents; cured bacon, 58½ cents.
>
> Returned soldiers found that the bonus paid on their discharge from the army did little more than buy them a civilian outfit.
>
> Food prices might seem good for the farmers. But on the contrary, the farmers declared that the prices they were receiving were ruinously low. Middlemen, they said, were reaping fortunes. Their costs of production had risen enormously.
>
> The wave of industrial unrest reached heights never equalled before or since . . . The One Big Union movement flared up rapidly. The Winnipeg strike made many people think the country was ripe for revolution. The inflation ran its course to the inevitable and equally disastrous collapse.

This is the story as it stood after the last war; and surely we cannot close our eyes to the realities of the present time. There is nothing that can lead us to believe that the situation is any different this time. The worst of the inflation after the last war did not come, nor did the necessity for control come actually during the period of the war, but in the period immediately following the war. So I maintain that it is definitely the responsibility of this government to face the storm and put up a fight to maintain stability in this country.

As far as I am concerned, there is no question of doubt as to where I stand on this issue, and I think I am right in assuming that it is pretty well the position of all western members, at least on this side of the house. This attitude of the west is quite clearly defined, at least in my province, in the newspapers. I think I may quote again from the Winnipeg *Free Press,* because there is an editorial here which puts the picture of controls quite well. I quote from the issue of that newspaper of May 17 an editorial entitled, "The need for controls":

> If there is one thing very clear, it is that the government is moving as well as it can toward the abolition of controls. It is also clear that certainly the particular set of bureaucrats involved in this problem are all very eager to wind up their jobs. Meanwhile, however, they have to hang on. . .
>
> Too great haste in taking off the controls would inevitably result in the defeat of the major objective sought by the price and wage policy of the government. We have emerged from the war stronger and more stable in our economic structure than any other major belligerent. We have kept so well on balance that, if we can but exercise continued skill and patience, we will be able to escape many of the ills and dangers that beset us on all sides.
>
> The wartime prices and trade board is effecting what might be called a fighting retreat, holding each line up to the point where the rising flood of supplies makes further control unnecessary. In attempting this difficult manoeuvre it is obvious that mistakes will be made and that injustices will arise. This is inevitable.
>
> But the over-all gain to Canada of maintaining the controls is far greater than any of the vexatious mishaps which take place from time to time. The pressure to remove the controls is very great. It comes, to too great an extent, from politiciains who seek an easy platform success, by wanton utterance. They appeal to the narrow interests of the group they happen to be addressing and thereby neglect the national interest. In war time, greatly to the nation's credit, such appeals were ignored. They are far more dangerous to-day when the inspiration and discipline of war have vanished or grown stale. A further effort is needed.

Some might say that this is the opinion of a newspaper which, is on the whole, considered favourable to the government. But I have here another clipping, from the editorial page of the Winnipeg *Tribune,* and the stand of that newspaper on this issue is also quite clear. I quote from the *Tribune* of May 7, 1946:

Perhaps Canadian efforts toward holding down living costs are best appreciated when compared with those made in the United States. Price control was introduced in that country later than in the dominion. Moreover, the office of price administration, the United States equivalent of the wartime prices and trade board, has not met with the same measure of government or public support accorded the wartime prices and trade board in Canada. In fact, O.P.A's very existence was threatened recently in congress.

The following table compiled by the Windsor *Star* and quoted in an editorial by the Edmonton *Journal* is indicative. Windsor and Detroit, just across the river from each other, offer an excellent opportunity for comparison of the two countries' successes or failures in battling rising living costs. Here is the table of comparisons of current costs of every-day items in the two centres:

Soft drinks: Windsor, 7 cents; Detroit, 10-15 cents.

Hamburgers, hot dogs: Windsor, 10 cents; Detroit, 21 cents.

Telephone, two-party full service: Windsor, $2.85 per month; Detroit, $5-$6 per month.

Electricity, average for family of four: Windsor, $5-$6 for two months; Detroit, $16-$24 for two months.

Haircuts: Windsor, 50 cents; Detroit, 75 cents to $1.

Shave: Windsor, 25 cents; Detroit, 50-60 cents.

Downtown movie: Windsor, 45-85 cents; Detroit, 85 cents.

Two persons on evening out (one drink each, dinner, movie, coffee, doughnuts, bus fare): Windsor, $3.47; Detroit, $9.10.

Butter: Windsor, 42 cents to 44 cents; Detroit, 56 cents to 60 cents.

And so on.

The difference in prices in the two cities should not lead to complacency on the part of Canadians. Greater pressures than ever before are threatening to break our price ceilings. Indeed, the greatest threat lies in the fact that the Canadian economy is bound up with that of the United States. It will be only with the greatest difficulty that our price structure is kept from going hog wild if American prices advance much more.

Price control is still a full-time job for Canadians.

To complete the record I will read from the Winnipeg *News,* which reflects, I believe, the labour side of the story, because this release is entitled "Winnipeg News on labour view of prices board policy." It reports resolutions adopted by 1,600 labour liaison representatives, representing approximately 600,000 trade unionists across Canada. Here is the report:

General approval of wartime prices and trade board policies and suggestions that the board should only remove controls from articles in good supply and that the present standards division of the board be continued as a permanent part of government organization was voiced in a five-point resolution passed by over thirty labour liaison officers to the board's consumer branch, at a conference held Wednesday night in the board offices.

Included in the five-point resolution are these statements:

1. The wartime prices and trade board has done a creditable job in controlling prices, rationing and other phases of its work.
2. The W.P.T.B. has been the medium which has saved citizens of Canada, particularly labour men and women, millions of dollars by preventing inflation.

I will not take the time of the house to read the other items of the resolution, but I may say that they are along the same line, and prove that these liaison officers of the labour movement certainly recognize the great benefits of the wartime prices and trade board to this country, and more specifically, I would say, in its application to western Canada, because I hold that we are much more vulnerable from this point of view.

I do not think there is any question as to the stand of the western people at the present time. Everyone remembers quite well the heavy burden left on the shoulders of the people of the prairies by the inflation that took place after the last war, and such inflation is probably more damaging in connection with farm land in the prairies. I am thinking now of all the young people and middle-aged persons as well who left the prairies during the war to go and work in the factories in the east as well as on the coast. Statistics prove that there was an exodus from the prairie provinces during the war, and it is my contention that those people will come back to the prairies. Surely, therefore, if any more inflation is allowed at the present time, they will not have a ghost of a chance of settling in the prairies, and even if they did try to buy land at any higher prices than those charged at the present time they would have no chance of succeeding. Therefore, in the interests of the economy of the west, it is absolutely essential, I would say, that controls remain clamped on.

Another factor to be considered is the Veterans Land Act. No doubt a large number of young veterans will settle on land in the prairies. Statistics reveal that so far there have not been very many, but we must remember that the war ended not long ago, and as a matter of fact I know that the applications have been far too many for what the department has been able to cope with. I am quite satisfied that there are a good many veterans who are getting an education which they could not afford in the thirties, and as

soon as their knowledge has improved and they have obtained education they will try to settle on the land in greater numbers. We should not do anything to make it impossible for them to settle on the land; we should at least leave the opportunity open.

When we mention the land settlement act, I perforce am compelled to think of the success or otherwise of the soldier settlement board—because it is wise to look back. Of course the two cannot be compared, since one is a great improvement on the other; but though that act may not have been all that it should have been, the main reason why the Soldier Settlement Act did fail—and certainly it failed in my constituency and province—was that prices were inflated when those veterans tried to settle on the land. The picture of this enterprise is certainly far from being a bright one. In fact, it is very gloomy, more particularly, for one reason, or another, in Manitoba.

Even to-day, however, in spite of the fact that prosperity in the west is quite relative, there is a marked tendency for land to go up in price. I am not going to quote figures, although I have them for the various provinces, comparing 1939 with 1944 and 1945. They are most conservative, and they show an increase in Canada, from 1939 to 1945, of 20 per cent. In its interpretation of the figures, however, the bureau of statistics say that they are very conservative and that it seems likely that these estimates understate the gains that have actually occurred in Canada.

I remember an article which appeared in the Winnipeg *Free Press* and in the *Tribune* putting the rise in the cost of land up to 50 per cent. So that if we take the middle course between the two, there is no question that there has been an increase in price in farm land in the west; and that if controls were removed, land would undoubtedly soar in price, and this would not be to the advantage of the people living in the west or of those who wish to become reestablished in the prairies.

At this stage I wish to commend the Minister of Agriculture (Mr. Gardiner) and I also wish to give all the encouragement I can to the Minister of Finance (Mr. Ilsley) to hold the line down, whatever the cost. I commend the Minister of Agriculture for embarking a few years ago on the policy of giving, not exceedingly high prices but stabilized prices, even to the point of sacrificing high prices for stability. The farmers and all other people in the west are one class, because everyone depends upon the main industry of agriculture, and everyone to-day sees the wisdom of having stabilized agriculture in the prairies. I am sure we got that impression in this house when bill No. 5 was being discussed. It was apparent from those who spoke on that bill—those members from the west—that they did not want to be left to the speculation of a few but wanted the income of the farmer put on a stablized basis even to the point of being controlled, whether in connection with the wheat board or the wartime prices and trade board.

There is an absolute necessity to enforce these controls if we wish to have a stabilized economy in the west. It is the only way, because we have tried other means. Apparently it is the only way by which we can be relatively prosperous in the country.

When I speak of controls, I do not mean that we must maintain controls indefinitely, because that has not been the policy of the government, and as time goes on they can be relaxed when possible. Of course I am not in a position to judge exactly the time or the item. That is the responsibility of the Minister of Finance. He is a capable man and he has shown that he can do a good job. I am satisfied to leave the responsibility to him, because I know he will look after the interests of the Canadian people, and that includes my people.

After all, in this world we have to put our confidence in somebody or something and I am content to put my confidence in the efforts of the Minister of Finance. The Prime Minister, in explaining the policy of the government on price and wage control, on January 31, 1946, made the position of the government quite clear. I quote two short passages so that the government's attitude may appear on the record.

> In moving toward the period when price control is no longer necessary, the government believes that subsidy payments should continue to be kept to a minimum and eliminated as promptly as is feasible. There is a great deal of difference between a gradual and planned policy of adjustment to post-war conditions, which may involve some modest increase in prices, and a policy of rapid removal of anti-inflation controls. The objective of the government's policy is to continue to protect the people of Canada from a sharp upswing in prices and living costs, and from the inevitable aftermath of deflation, unemployment and distress. Its purpose is to protect the value of wages and war-time savings. It is aimed to help to open larger markets both at home and abroad, and thus hasten progress toward the high level of peacetime production and employment which is our leading economic objective. With the intelligent support of the Canadian people Canada's anti-inflation programme will achieve its aim. It will bring our country through the most destructive war in history and its aftermath without the economic and social disruption which have been the sorry heritage of past conflicts.

The duty of the government is quite clear. If one looks back at what the government has done so far he will see that it is just a

bare and simple implementing of what it said it would do. I realize that controls in themselves are not popular. Somebody has to take the responsibility of maintaining them. I repeat, it is the responsibility of the government, and I hope that they will have the courage to stand by it.

I should like to give a brief picture of the position of agriculture in the three western provinces, and try to indicate how they appear under a controlled economy such as we have had in the last few years. I hold in my hand a report issued by the dominion mortgage and investment association. This association is made up of thirty of the large mortgage and investment companies in Canada. It comprises most of the sum total of the mortgages which are held by the farmers of the three western provinces. I shall quote the first part which gives a picture of the conditions existing in the last year. This is the report for 1945 and reads as follows:

Farmers in the three prairie provinces reduced their mortgage and agreement for sale debts by 26 per cent in 1945. This estimate is based on the experience of thirty life insurance, trust and loan companies which have a substantial investment in farm mortgages and agreements for sale in the prairie provinces. The farms which are security for these mortgages are located in all sections of Manitoba, Saskatchewan and Alberta. Thus the experience of these companies can be taken as representative of that of all farm mortgage investors in western Canada.

As was to be expected, payments of mortgage principal and interest by farmers in the prairie provinces were lower in 1945 than in 1944. This would have been the case even if farm cash income had not declined since the total amount owing at the beginning of 1945 was substantially less than at the beginning of 1944.

In view of the reduction which occurred in farm cash income, payments of principal and interest were maintained at a high level. Farm cash income for the three prairie provinces dropped from $1,033 million in 1944 to $847 million in 1945, a reduction of $186 million, or 18 per cent. Principal and interest payments as a percentage of the total amount owing were greater in 1945 than in any previous year with the exception of 1944.

The total amount owing to the thirty companies by farmers in the three prairie provinces on farm mortgages and agreements for sale declined 26·1 per cent in 1945. The reduction in the amount owing by Manitoba farmers was 25·4 per cent; by Saskatchewan farmers, 25·6 per cent; and by Alberta farmers, 28 per cent. The reduction in the amount owing since the end of 1937 is remarkable. It is doubtful if any other group in Canada has been as successful in reducing their liabilities during the past eight years as have the farmers of the prairie provinces. The total amount owing on mortgages and agreements for sale by farmers in the prairie provinces is now considerably less than half what it was at the end of 1937—the percentage reduction being 60 per cent. In Manitoba, the decrease since the end of 1937 is 67 per cent; in Saskatchewan, 57 per cent, and in Alberta 65 per cent.

These large decreases have been achieved by thousands of farmers reducing substantially the amount they owe by way of farm mortgages and agreements for sale and by thousands of others paying off their mortgages entirely. During the past eight years the number of farmers in the prairie provinces who own their farms entirely free of debt has increased very materially.

At the end of 1945 there were 6,339 fewer farmers in debt to these thirty companies by way of mortgages and agreements for sale than at the end of 1944. As compared with the end of 1937, the reduction in the number of farmers in debt to these thirty companies is 27,671, or more than fifty per cent.

The annual report of this association for 1943 made reference to the estimate of total farm debt in the three prairie provinces made by Professor W. J. Waines of the university of Manitoba for the royal commission on dominion-provincial relations. He estimated total farm debt in Manitoba at $108·7 million, $432·5 million in Saskatchewan, and $265·1 million in Alberta, a total of $806·3 million. Since it is a well established fact that farmers use increased income to liquidate current indebtedness before applying it to long-term indebtedness such as mortgage debt, it is a reasonable assumption that total farm debt in the prairie provinces has declined just as fast as mortgage debt. It would appear, therefore, that total farm debt in the prairie provinces has declined by more than $450 million in the past eight years.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 59, to incorporate Canadian Acceptance Company.—Mr. Harris (Grey-Bruce).

Bill No. 60, respecting Rupert's Land Trading Company.—Mr. Maybank.

SECOND READINGS

Bill No. 83, for the relief of Roland Taillon.—Mr. MacLean.

Bill No. 84, for the relief of Frederick Albert Johnson.—Mr. Maybank.

Bill No. 85, for the relief of Joseph François Georges Landry.—Mr. MacLean.

Bill No. 86, for the relief of Dorothy Ruth Bennett Macnutt.—Mr. Maybank.

Bill No. 87, for the relief of Anne Levy Marder.—Mr. MacLean.

Bill No. 88, for the relief of David Ritchie McEwen.—Mr. MacLean.

Bill No. 89, for the relief of Marie Jeanne Antoinette Bastien Cadieux.—Mr. MacLean.

Bill No. 90, for the relief of Gwenyth Lorraine Madge Popkin.—Mr. MacLean.

Bill No. 91, for the relief of Louise Jocelyn Wolfrey Black Griffin.—Mr. Maybank.

Bill No. 92, for the relief of James Delmer Thomas Kirton.—Mr. Maybank.

Bill No. 93, for the relief of Helen Sylvia Stacey Thompson.—Mr. Maybank.

Bill No. 94, for the relief of Kay Florence Smart Gardiner.—Mr. Maybank.

Bill No. 95, for the relief of Zoita Tehanciuc Moldovan.—Mr. Maybank.

Bill No. 96, for the relief of Ambrose Keble Fred Vernham.—Mr. Maybank.

Bill No. 97, for the relief of Clermont Gendreau.—Mr. MacLean.

Bill No. 98, for the relief of Beatrice Lydia Ogulnik Goldin.—Mr. Boucher.

Bill No. 99, for the relief of Harry Dyce.—Mr. Maybank.

Bill No. 100, for the relief of Alastair Trenholme Lovat Fraser.—Mr. Maybank.

Bill No. 101, for the relief of Elsie Rachel Silverson Ward.—Mr. MacLean.

Bill No. 102, for the relief of William Joseph O'Sullivan.—Mr. Maybank.

Bill No. 103, for the relief of Dorothy McClelland Hamilton.—Mr. Maybank.

Bill No. 104, for the relief of Violet Maude Griffiths Barraclough.—Mr. MacLean.

Bill No. 105, for the relief of Norman Peter Gray.—Mr. Maybank.

Bill No. 106, for the relief of Andrew Kovacs.—Mr. Maybank.

Bill No. 107, for the relief of Eda Margel Sand.—Mr. Maybank.

Bill No. 108, for the relief of Lucille Eileen Piché Perrier.—Mr. Maybank.

Bill No. 109, for the relief of Bertha Lipshitz Joslove.—Mr. Maybank.

Bill No. 110, for the relief of Ernest Leslie Maddock Jones.—Mr. Maybank.

Bill No. 111, for the relief of Marie Komyati Sznyitar.—Mr. Emmerson.

Bill No. 112, for the relief of Irene Renee Levey Ritchie.—Mr. Emmerson.

Bill No. 113, for the relief of Alexander Marr Meldrum.—Mr. Maybank.

Bill No. 114, for the relief of Ottocar Fiedler.—Mr. Maybank.

Bill No. 115, for the relief of Kathleen Elizabeth Regan Griffiths.—Mr. Maybank.

Bill No. 116, for the relief of Eliza Ritchie McDerment.—Mr. Maybank.

Bill No. 117, for the relief of Ruby Eileen Baker Jones.—Mr. Maybank.

Bill No. 118, for the relief of Ralph Samuel Currie.—Mr. Maybank.

Bill No. 119, for the relief of Simone Tardif Laverdure.—Mr. Maybank.

Bill No. 120, for the relief of Max Schacter.—Mr. Maybank.

Bill No. 121, for the relief of Mary Walker Tiffney.—Mr. Maybank.

Bill No. 122, for the relief of Margaret June Purdy MacKinnon.—Mr. Maybank.

Bill No. 123, for the relief of John Rae.—Mr. Maybank.

Bill No. 124, for the relief of Nellie Mugford Brumby.—Mr. Maybank.

SUPPLY

PRICE CEILING POLICIES WITH RESPECT TO FARM PRODUCTS

The house resumed consideration of the motion of Mr. Mackenzie that the house go into committee of supply, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mrs. Strum.

Mr. JUTRAS: Mr. Speaker, before six o'clock I had just dealt with the report of the various loan companies in the west, showing what had been accomplished in western Canada over the last seven years. I want to say immediately that hon. members should not jump to conclusions. While it is true that I did mention that the picture was much brighter in the west than it was before, I merely pointed out that farmers had paid 50 per cent of their indebtedness over the last seven years. That implies that they are still 50 per cent in debt. They are in the process of digging themselves out of the hole at the present time. But we must remember that agriculture has gone through a period of debt and disaster. I hasten to point out that this achievement of the last seven years has not been accomplished by taking trips to California, or by playing bridge, or even by reading *Hansard* during the winter months on the prairies, as was suggested by some hon. members. It has been accomplished through toil and sweat, by their own hands, while their sons and daughters were fighting the war overseas.

It does not mean, either, that they are making large profits at the present time. As a matter of fact they are making very small profits. But it is mostly the fact that there is a small profit in all the various aspects of agriculture which accounts for the picture I have drawn. To my mind it is a case of a little here and a little there.

In my view it is time the Canadian people revised their thinking so far as agriculture is concerned. There are too many city people who think of prices of agricultural products in terms of prices during the depression. At the present time, because it has been said that the price of milk will be twelve cents in the city, a wave of protest has arisen in some cities. I suggest that the people of Canada are getting the very best of food, and so far as milk is concerned they are getting a much

improved product. I do not consider twelve cents a quart is too much or too high a price to pay for such a good product. Too many people forget that to-day milk has to be pasteurized and homogenized. It must be delivered in sterilized containers; it must come from T.B.-tested cows. It must be subjected to quick cooling after milking, because of the factor of acidity. Then there is a deduction made from the price if it does not reach 3·5 per cent butterfat. It must be delivered to the door—and delivered before breakfast, in the wee, small hours of the morning. So that when one compares milk with soft drinks, with tea and coffee or with fruit juices, or with any of the various food products, including luxury beverages, I do not think the price of milk is too high.

While I am not offering this as a case in point, I must maintain that too many people in the cities are thinking in terms of prices they paid in the years of depression. At that time farmers were generous enough to give away their product because they could not keep it and could not sell it. So they just made a gift of it to the people. Those conditions are, we hope, gone. Had I the time I would deal with this matter more fully. However, I trust I shall have another opportunity to do so.

At the present time I wish to deal briefly with the C.C.F. amendment. I know that in that party there are a few competent farmer members who are sincere in their convictions. However, it would appear from the amendment presented to the house that in that group they are but a small minority. I wish to give full credit to the hon. member for Qu'Appelle (Mrs. Strum), who moved the amendment to the amendment, for her sincerity in doing so. I admit the sincerity of the hon. member for Cape Breton South (Mr. Gillis), who seconded the motion, but I would point out that the diversion of opinion between the two differs just as greatly as the diversion of opinion between any of the parties in this house. No doubt the hon. member for Cape Breton South appealed to the motherly instincts of the hon. member for Qu'Appelle in order to have her add the word "workers" and gather under the protection of her wing all the people of Canada. But be it as it may, it would appear that the hon. member for Qu'Appelle in wording her amendment in that way serves one purpose only, that is, to confuse the issue. I ask: What burden does an increase in prices of farm implements impose upon the workers of Canada? It is just a case of, "he is getting it, we want it too." It is simply a demonstration that within the ranks of the C.C.F., labour is the dominating factor.

Just before the six o'clock recess the hon. member for Regina City (Mr. Probe) was pointing out that the C.C.F. party were unanimous about the question of controls. I should like to refer briefly to what the seconder had to say about the great concern he had over controls.

In connection with the cost of living he said, as reported at page 1557 of *Hansard*:

> There is also a difference in the cost of living; I realize that, but it is not equal to the differential in the income of the workers. I do not care how high the cost of living goes.

Here is what he had to say about inflation, a matter about which I feel very deeply:

> There is a whole lot of the bogey man in this business of inflation. I am not very much afraid of it.

Mr. SPEAKER: I am sorry to interrupt the hon. gentleman but he has spoken for forty minutes.

Mr. COLDWELL: Let him finish.

Mr. JUTRAS: I shall take only a few minutes.

Mr. SPEAKER: Has the hon. member unanimous consent?

Some hon. MEMBERS: Agreed.

Mr. JUTRAS: Here is what the hon. member had to say about controls:

> This business of waving that flag of inflation is overdone. A little inflation is good, if it does not get away from you. If you mean your price controls, when you get the thing where you want it and control it forever I do not think you will have any difficulty. But I do not believe you are controlling anything to-day; that is my opinion.

Then to show his concern over the increase in farm prices, he said this:

> Do not forget that about eighty or eighty-five per cent of the cash handled by the average small-salaried man or wage-earner in this country is spent on food, clothing and shelter, particularly on food. That does not include any luxuries. When you put the increase on a pound of butter and a pound of bacon, and on clothing, you are hitting him one hundred per cent.

And he continued:

> Flour is up twenty-four per cent; sugar is up thirty-two per cent; potatoes are up fifty per cent; tea and coffee are up thirty-one per cent. In fact everything is up but wages.

I am wondering whether he was asking for more wages or for a higher return for the farmer. He continues to speak on price controls as follows:

> The point I was going to make is this. As I said a moment ago, President Truman ordered an upward trend in wages in order that the people might have purchasing power, because if they cannot buy we are going to have unemployment. The trend in Canada is the reverse.

That shows the confidence the hon. member has in price controls. Then he goes on to say:

The farmer asks for increased prices. Fine; I agree with that. I believe those prices have to be stepped up. But when we increase the price of farm products we automatically increase the cost of living.

The hon. member had said just previously that he did not mind the cost of living going up, and he then goes on to refer to the industrial worker:

And that comes back to the industrial worker. If farm prices are going up, then in proportion to those increases in farm prices we have to increase the wage structure if we are to keep on an even keel. Unless this is done, the effect will be that of dumping an additional load on the shoulders of the small salaried worker.

I am sure that is not what the hon. member for Qu'Appelle had in mind in her amendment. Let me say in conclusion that if that represents the unanimous opinion of the C.C.F. towards agriculture, it is a pretty poor show indeed.

Hon. W. EARL ROWE (Dufferin-Simcoe): Mr. Speaker, I have listened carefully to the hon. member for Provencher (Mr. Jutras) and I want to compliment him upon the excellent speech he has made. I noticed that he was careful not to get too close to the issue and further confuse the house. I observed that he mentioned chiefly the doughnuts that were served in Windsor and the cocktails that were served in Detroit, as well as many of the things that are not even produced in Provencher. Generally speaking, his remarks were in keeping with the policy of the government of the day.

This issue concerns more lives in the Dominion of Canada and throughout the world than perhaps any other issue that has been presented to this house this session. Everyone within sound of my voice as well as everyone in Canada knows that there is nothing more vital to maintaining the peace that we have achieved at such a great cost. When we realize the malnutrition that exists among the children of Europe to-day, when we realize the lack of housing for the boys who fought the battles overseas; when we realize the demand for consumer goods and the failure in production, then we know that we are face to face with a crisis in the affairs of this dominion, a crisis more concerned with production than any other crisis in our history.

I make no apology for speaking on this issue. You, Mr. Speaker, have been in this house almost as long as I, although you are many years younger. I think you will have observed how consistently I have supported a policy of greater production. I think you will recall as will the erstwhile leader of the party opposite, that some years ago I urged the government to stop its policy of non-production and get ready for the days of peace. You will recall, and I certainly recall having said that food would win the war and food would save the peace. That cry, which was uttered by many others on this side, fell on deaf ears.

I speak as a member of the party that is recognized in Canada to-day as being the farmers' party. We have not a farmer as our leader simply because he is a farmer; we have him as our leader because we represent the farmer's viewpoint in Canada. Food production is necessary in times of war, but it is no less vital in times of peace. Anyone who knows of the starving millions in the world to-day realizes that food is vital. We are receiving white cheese instead of butter; on Tuesdays and Fridays we cannot have meat; yet this is a great agricultural country. We begin to wonder what is wrong when we are told by former President Hoover and many others that millions will starve this coming winter. To my mind all other issues should be washed aside if we really live in an age when we believe in humanitarian principles. Should the unproven threat of inflation deter us in our efforts to meet this humanitarian need?

Mr. PROBE: Tell that to Massey-Harris.

Mr. ROWE: If I knew as little about Massey-Harris as the hon. member does I would not be saying much about it. I followed the remarks of my hon. friend this afternoon very carefully. He followed the negative motion of the hon. member for Qu'Appelle. He wants to cut down the wages that the labouring man receives rather than increase his earnings so that we can have a higher standard of living among working men.

Everyone knows that there is a food shortage in this dominion. Everyone knows that there are millions starving. It is common gossip in the barber shop, in the blacksmith shop, in garages, in the country store and on the street corner. What did Mr. Bevin, the British foreign minister, say the other day, and by the way he represents a government not quite as socialistic as my hon. friends to my left, but one that wants to assist labour? Mr. Bevin said: "Nazism, socialism and communism will be wiped out if we can feed the world." He went on to say that farm prices may be low for a year or two, but remember that food is so essential that we had better let farm prices rise and let wages rise so that labour can buy its products. That was Mr. Bevin. It was not the Tories speaking, but that is what we believe in too. Mr. Bevin was followed by the Right Hon. Mr. Amery who, speaking before the United States chamber of

commerce, said that we must have more agricultural production to supply the world food shortage at the present time and keep millions from starving. He said that Britain must produce more food, and that that increased production must be achieved despite competitive prices from outside Britain. So that I say to the Minister of Finance (Mr. Ilsley) that price is a secondary matter. With millions starving in Europe, with little children suffering malnutrition, surely if we are living in a new age let us wake up, and do what the world is looking to us to do.

President Truman of the United States is also pleading for more production and as a sane American businessman how does he say that it can be achieved? By work, work, and more work. That was stated in yesterday's press. How are you going to get more work? I suggest to the Minister of Finance that if we are still living under the democratic principle of free enterprise we must give greater incentives to work and production. There is no other way unless we are going to revert to dictatorship and controls, and tell the people what they shall do and what they shall get for it.

Why have we so many strikes among labour to-day? Why are men not at work? Because they want more money. I am not disturbed by the jibes of those to my left or by the cackles of those farther down when they speak of our friendship for labour. I take second place to no man in my friendship for labour. Ask any man who works for me, and he will answer. The only way to get more work is to pay the workingman more money. We shall have more production when the workers can get a reasonable recompense for their efforts in whatever line of work they may follow.

We now come to the issue why are people starving overseas. Will the government tell me why the total bacon exports of this dominion have fallen over 30 per cent during the past year? Will the erstwhile leader of the government, who never produced anything in his life, tell me why our bacon exports have fallen? Will the Minister of Finance tell me? They both know the answer. Every man who has watched the developments knows the answer. Why were 250 million pounds less of live stock produced this year as compared with last year? I have farmed all my life. I belong to a family that has been farming for four generations, and maybe more, but I do not want to go too far back.

Mr. MACKENZIE: Better not.

Mr. ROWE: Why is our sheep production down in Canada by 13 per cent? Why is our poultry production down by 13 per cent? Is it because some controller here in Ottawa has said: We will raise prices to the farmer by 10 per cent, even though his costs of production have increased by 28 per cent? That is the reason, and nobody knows it better than the Minister of Finance.

Mr. ILSLEY: Your figures are wrong.

Mr. ROWE: Your figures are often not correct. But the figures I just gave were taken from your department. Will the minister tell me why in the first two months of this year the retail distribution of commodities has increased by 13 per cent and the wholesale distribution of commodities by 30 per cent when farm production has been falling? There must be something wrong with our economy when that is happening. It is all very well for the Minister of Agriculture (Mr. Gardiner) to tell us that the farmers are so happy, but he said the other evening that the farmers were not satisfied because they were carrying the greater part of the burden of this new-fangled economy. Everyone knows that, and no one knows it better than the farmers themselves.

What has been the Liberal policy over the years with respect to agriculture, and what is their policy to-day? Nobody knows better than the Minister of Finance, who just interrupted me. I have watched him very closely in the House of Commons, and he is a fine, honourable gentleman, but I remember that on October 13, 1945, when bringing down his budget—and this proves that the farmer is the forgotten man by this government, that the farmers have been made the guinea-pig of a new experiment—the Minister of Finance said:

> The house will note that the sales tax is being removed from machinery and apparatus used in the manufacture or production of goods but not those used in distribution or in the rendering of services. The principle which we are endeavouring to follow is to remove the sales tax from the costs of those industries which bear sales tax on their products, including also those whose products have been deliberately exempted as in the case of food products. The sale tax will be imposed still on machinery and apparatus used in the distribution and in service industries on which no sales tax is levied.

The interpretation of the Department of National Revenue is based almost completely on two phases in the above speech, namely "directly in the manufacture or production of goods", and "not those used in distribution or in the rendering of services". Their ruling is that generating station equipment and step-up and step-down transformer stations are exempt, but that any material or equipment used in either transmission or distribu-

tion line construction must be classified as not used for manufacture or production, but for transportation or distribution.

What effect has that on the farmer? The Department of National Revenue has ruled that sales tax must apply on all materials used in the construction of power transmission, and distribution lines, such as poles, towers, insulators, conductors, cable and/or wire, hardware and fittings, are not regarded as machinery, apparatus or complete parts thereof and are therefore subject to sales tax. In Ontario the province contributes 50 per cent of the cost of rural lines, as a grant in aid to agriculture. Yet there are many members of the party opposite who claim that the government of Ontario and the party I represent are not favourable to agriculture. How do they reconcile that with the fact that the government gives 50 per cent of the cost of rural lines as a grant in aid to agriculture? The approximate cost per mile for these materials is $1,200, on which the dominion tax is $96. On the 1946 programme, calling for a construction of two thousand miles, approximately $200,000 will be required to pay the dominion sales tax, of which the province must pay half. This sales tax of $100 per mile of new line represents about a year's revenue from three average farms to pay the dominion levy on this service to the farmers. Remember, the Massey-Harris company does not have to pay that; these other manufacturers do not pay that; yet the dominion government collects $100 per mile as a levy against the farmers of Ontario, while the dominion government is contributing $1,200—

Some hon. MEMBERS: Hear, hear.

Mr. ROWE: —I should say, while the Ontario government is contributing $1,200 per mile as a grant in aid to agriculture.

Mr. MACKENZIE: Your friends cheered the wrong thing.

Mr. ROWE: I don't think you have anything to cheer about. If you have, I should like to hear you cheer.

Mr. MACKENZIE: I won't cheer you.

Mr. ROWE: No, you don't very often. But what your government does very often is to collect heavy taxes—half a million dollars—from Ontario farmers; because it is the farmers who are the largest contributors in the rural districts to this federal taxation. It is to this government, which pretends to be the true champion of the farmers' cause, that the farmers of Ontario have to pay not only sales tax on all the equipment which is necessary to get energy to the farms, but sales tax on appliances purchased through the dealers, and war revenue tax on the energy used. Why does the farmer who uses energy for his chopper, his cutting box, his pump, and all along the line, including lights in his barn while he is working hours far longer than those which industrial workers have to work, also have to pay revenue on this energy and equipment when the manufacturer of his implements pays no revenue on transmission? It is clear-cut evidence of the fact that as far as the dominion government is concerned the farmer is the forgotten man; and he has been, for the last quarter of a century, as I shall proceed to show. It seems to me that the farmer deserves consideration and should be considered as a manufacturer of food products, to-day, when food products are so much more important than many other products which you cannot buy without a card from the war-time prices and trade board. I have watched with interest the record of this government. I have sat here in this house and listened for many years, for I have been here for some time—

An hon. MEMBER: Too long.

Mr. ROWE: My hon. friend says, "too long", but I was here before he was and I may be here after he is gone. Be that as it may, Mr. Speaker, I have closely observed this government. They say they have fixed prices at what they thought was fair. There is not an hon. member sitting opposite to me who does not know that when they fixed the selling price of agricultural products, those prices were below parity. Will the Minister of Finance rise in his place and tell me that they were not below parity in 1941?

Mr. ILSLEY: Tell me what parity is.

Mr. ROWE: Well, I observe from past records that the minister does not know, so that I do not think I should try to tell him now. I know he always fixed them as at 1926—heaven only knows why. That is why I ask him to rise now and tell us what they are.

Mr. MACKENZIE: You should answer the question.

Mr. ROWE: Taking the government at their word that 1926 prices represent parity, let me point out that they fixed the ceiling price in 1941 on agricultural products at 80 per cent of what other prices were. If the minister does not know that let him ask some of those wise-eyed statisticians and economists he has in his department.

Mr. ILSLEY: You are wrong again. But go on.

Mr. ROWE: Well, you have been wrong often. If I am wrong I will sit down and let you correct me. Mr. Speaker I suppose silence gives consent. Evidently the Minister of Finance and I stand on common ground. But the farmers' share of the national income is a fair example of government policies. Will the Minister of Finance, or my congenial friend, the leader of the house for a while—in fact, I wish he were leading it all the time, for it would not be any worse led; it is only half-led, anyway—

Mr. MACKENZIE: It is never mis-led from this side.

Mr. ROWE: —will either of these hon. gentlemen rise and tell me to-night that farmers' costs between 1914 and 1918 were higher than they are now?

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

Mr. ROWE: Certainly.

Mr. WARREN: Would the hon. member tell us about the prices of farm products between 1930 and 1935?

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: Oh, yes, I am coming to that. I am not going to be disturbed by the gibes of back-benchers who do not take much interest in the party along the front that control the country. The hon. member's question has no bearing on the matter in issue, but I shall deal with it in a few minutes, and I hope he will follow me. I will show him the record of his party.

An hon. MEMBER: You were here.

Mr. ROWE: Yes, I was here; you were not. There is not an hon. member who does not know how farm costs stood between 1914 and 1918. The hon. member who interrupted me when I was speaking of the costs of agricultural implements, and the Minister of Finance, who also interrupted me a couple of times, will not deny, what everyone who has bought farm implements knows, that they were lower between 1914 and 1918, and I know very well that farm costs were not as high in those years as they have been since. But during those years the party which I have the honour to represent was in power, the Union government.

Mr. MACKENZIE: What name?

Mr. ROWE: It had the best of your party.

Mr. MACKENZIE: What name?

Mr. ROWE: It was called the Union government; it took the best of your party and left the rest over there. It did a good job; it won the war; it had the courage to go to the country on war issues and decide them as war issues.

Mr. MACKENZIE: And it has changed its name six times since.

Mr. ROWE: A fool never changes; a wise man sometimes does. But in those years, between 1914 and 1918, the Canadian farmer received $1,534 million for the wheat he produced. Twenty-five years afterwards, while my hon. friends are boasting about how much was obtained by industrial production, while they boasted about the growth of the country —and in twenty-five years one would expect some growth in a young country—we find that agriculture has all along been left in the lurch. Even after a quarter of a century, while industrial production has multiplied many times, and standards of living should have been increased, what did the farmer receive in the first four years of this war? He received $1,125 million, or more than $400 million less than the Canadian farmers received from 1914 to 1918, when the world was not as short of food as it is to-day. In those years he received for wheat exported a total of $1,059 million; from 1939 to 1943 he received only $818 million. For a quarter of a century we have had these gibes about inflation and the high prices of years gone by; yet we find that twenty-five years ago, under the party to which I belong, the farmers received $400,000,000 more for what they produced while the country received $200,000,000 more for what was exported, and the world was not then crying for food as it is to-day. I said $200,000,000; actually it was $240,000,000. I make that correction so that the Minister of Finance will not have to correct me. He thought the $200,000,000 was wrong, but I can tell him that the $240,000,000 is right.

Mr. ILSLEY: I am not going to try to check you.

Mr. ROWE: I know you will not bother checking it, but look at it to-morrow in *Hansard*, with your statisticians. I am not disturbed by the smiles of the Minister of Finance; in fact there is no man in the House of Commons I would rather see smile. Would anyone suggest that the farmers' costs were not lower during the first four years of the first war than during the first four years of the last war? Where were these champions of the interests of the farmers? The other night some hon. members opposite lectured those on this side of the house who, they said, were

not farmers. Even the Minister of Agriculture wanted to know why so many people talked so much about agriculture when they knew so little about it. Well, he should know.

Mr. MACKENZIE: He is a good farmer.

Mr. ROWE: Well, Mr. Speaker, I want to go back a few years, and let you and me reminisce about the records of the two great parties. As far as I am concerned, I did not begin to support this party just recently. I am not a Progressive Conservative only; I was a Conservative. We are growing more progressive all the time, and I have no apology to offer for the name "progressive" because the late Right Hon. Sir John A. Macdonald said that this party must be progressive if it was going to be anything. Some hon. gentlemen across the way have been here for only a short time; others have been here longer, but I have been here longer than anyone I see in the front row to-night. I say I have no apology to offer for the past. This afternoon I was amused when I listened to the remarks of my young and honourable friend the member for Provencher (Mr. Jutras). He made a very nice speech; in fact when I was his age I likely made more foolish ones, but I am not going to be disturbed for this moment. The hon. member for Provencher knows very well—or if he does not know his elders will tell him—that back over those years the Conservative party has not very much for which it needs to apologize.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: I hear the cackles of many who were not here then. My hon. friend across the way was not here; he was not thought of at that time, and he is lucky to be here now. Indeed, he may not be back. When the party now sitting to your right came into power in 1921, the first war had been over for three years. To listen now to the gibes of the back-benchers, to the noise of the front-benchers and to the applause of all government supporters, one would think this country had gone to the dogs between 1918 and 1921.

Mr. GRANT: No; between 1930 and 1935.

Mr. ROWE: I shall come to that. You were not here then either, and you are not too sure about what is going on now, let alone then. Why, Mr. Speaker, the Liberal party has been the party of wheat. I remember I pleaded with the Liberal party time and again, over a quarter century, to think of something other than wheat alone. My hon. friends will remember that I pleaded for a balanced agriculture. Even the hon. member for Vancouver Centre (Mr. Mackenzie) is too honest to deny that; and I think he is about as honest as anyone left over there. But hon. members will try to lead people to believe that this party had overlooked agriculture. Wheat and wheat flour were practically the specialties of Liberalism; in fact many times you would not think anything was produced, even in Ontario and Quebec, except wheat. When you were in the political realm, Mr. Speaker, how in caucuses you must have listened for years to a discussion of wheat alone. In 1921, the year hon. gentlemen to your right came to power, we exported $377,000,000 worth of wheat and wheat flour to the markets of the world. That was the legacy which was left to the party sitting to your right. What happened in 1930, the year they went out of power? Our exports to the world in these commodities totalled $138,000,000. In other words, those exports dropped from $377,000,000 to $138,000,000.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: Even the Minister of Finance laughs. Everyone laughs at that, when they remember the speeches which have been made lately. I want to relate a little history for the benefit of some of the members who seem to forget so many things as far as the policies of their party are concerned. Hon. members opposite who sit on the back-benches and who follow this new form of Liberalism should remember that when it started in this country Liberalism believed in free trade, in buying where you paid the least. They were the champions of markets for the farmers throughout the world. They were the ones in this country who pleaded for markets in the United States. They were the boys—and your fathers were the men—who championed commercial union with the United States in order to find markets for the agricultural products of Canada. You are the descendants of greater men who in 1911 said, "We want reciprocity with the United States." Why? It was not to help manufacturers of Toronto or Winnipeg or Montreal. No; it was to help the farmer find markets for his produce. Those were the champions of the farmer. But in 1921, when the Liberal party came into power, our exports to the world of all farm products totalled $610,000,000. In 1930, the year the Liberal party went out of power, our exports amounted to $428,000,000. Those are the facts, and I challenge the Minister of Finance to deny them. I pause for a moment; if he does not agree with my statement let him deny it. Silence gives consent, for he knows those figures are correct. I also remember when I was not in this house, though I was still in public life—

Mr. MACKENZIE: In Ontario.

Mr. ROWE: I was too young, as the minister perhaps suggests. But I have a reasonably good memory, and I remember that in 1921 the party opposite campaigned throughout the ridings of Ontario saying, "Elect us. We will find markets for your agricultural products. We will lower the tariff. We will lower the cost of production."

An hon. MEMBER: Were they successful?

Mr. ROWE: No, and I will tell you about it. You were not old enough to vote then, but others will tell you that our markets failed and we lost them to the extent of $100,000,000 of exports to the United States alone. The Fordney-McCumber tariff came in, and what was the policy of this government? Nobody knows what it is to-day, but in those days it was economic appeasement. We were told that we must not provoke the United States, but within eight months after the Liberal party came into power in 1921 the Fordney-McCumber tariff was introduced in the United States and we lost a great market in that country. In that period of time we sold less than $15,000,000 worth of agricultural commodities there. It is true that was not the fault of the government, but their economic appeasement and their policy of "must not provoke" did not work, because, regardless of that, the United States brought in their Fordney-McCumber tariff. Then for ten years the party to your right, Mr. Speaker, who were the champions of agricultural products, were in power. What happened in the export markets? We had exported to the world $75 million worth of meat in 1921. In 1930 we were not producing enough bacon to feed our own people. We were importing New Zealand cheese.

Mr. McIVOR: Butter.

Mr. ROWE: The hon. member for Fort William says it was New Zealand butter; the hon. member is right. Thanks for the correction. I am glad he has observed the record of his party, but I am surprised at his following it. In 1931, one year after this party came into power, we exported seven million pounds of beef to the United States, instead of 22 million pounds the year before. We exported one and three-quarter million gallons of cream and butter instead of four and three quarter million, as we had the year before. Why? Because of the Hawley-Smoot tariff? What is the government policy to-day?

Mr. CLAXTON: Does the hon. member know how much we exported to the United Kingdom in those years?

Mr. ROWE: Yes. In 1921 the United Kingdom imported from us 255 million pounds of bacon, and they imported six or seven million pounds from Denmark. But by 1930 the minister's party lost that market and they imported 600 million pounds from Denmark. We imported bacon to feed our own people.

I ask you, Mr. Speaker, and I wish the rules of the house would permit you to give us the information, because nobody else does, what is the government policy to-day? What is this government's policy? Nobody knows what the agricultural policy of this dominion is. It is the greatest gunshot prescription that this country has ever heard of. Why, Mr. Speaker? The other night the Minister of Finance said that the reason we are producing so much is that a high acreage plan has been decided on. The Minister of Agriculture has been planning a low acreage system for three or four years. There seems to be a conflict of policy in the cabinet. The Minister of Agriculture tells us in one year that our increased production is due to summer-fallow. The next year he tells us that the loss of production is due to the weather. Is there any wonder that the minister does not deny that the farmers are carrying a heavy burden in this new planned economy? One minister bonuses the farmer to grow wheat, and another minister bonuses by exemption in income tax to market wheat the following year. One minister says we must not empty our bins; we must stock for the future. Another minister says we must export every available bushel by August 1. Is it any wonder that neither the farmers, the exporters nor anyone else knows what our policy is?

The other night the Minister of Agriculture said that we should not raise the price of wheat because, if we do, the farmers may probably have to take seventy-five cents a bushel in two years. What an empty garden variety threat that is. Why, Mr. Speaker, every hon. member and every farmer in this country know that is not a fact. No wonder the government's spokesman saw the revelation of this policy, and stated that it was not encouraging the young farmers to go on the farms.

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

Some hon. MEMBERS: Sit down.

Mr. WARREN: Before the hon. member leaves the question of foreign markets, would he mind telling us the transformation and gradual improvement that took place after this government entered into an agreement with the United States after the terrible—

Mr. SMITH (Calgary West): Put it on the order paper.

Mr. WARREN: —conditions this country passed through under the rule of the Bennett-Rowe government.

Mr. FERGUSON: He is telling you, not educating you.

Mr. ROWE: I do not know that that is worthy of an answer. The hon. member ought to have that information himself.

Mr. WARREN: I have.

Mr. ROWE: I hope the hon. member has. The hon. member then knows that in the United States the farmers are getting 30 per cent more for their cattle, 25 per cent more for their dairy products, and pretty nearly $1 a bushel more for their wheat. The old champions of the United States markets for Canadian farmers ought to be a little ashamed when we cannot even sell our own products there now.

Not long ago the Minister of Agriculture said that one-third of all the cultivated areas of western Canada should have been in wheat, one-third in grass and one-third in summer-fallow. I am glad that the farmers did not listen to that shotgun prescription because they knew that would mean we would not produce any more wheat than we had produced twenty-five years ago. The government wished to establish a restricted policy, reverting back almost a quarter of a century, that would not meet the demands for world requirements at a time when the government has made commitments to Britain. The minister knows that it cannot fill those commitments. Every phase of agricultural production is falling down to-day. I am sorry the Minister of Agriculture is not here to-night. No wonder the Minister of Agriculture himself has admitted twice over the radio that this country was probably coming rapidly to a production drought; "a development drought" were the words he used. Why is it a development drought? He has had a lot to say about agricultural prices. What has he had to say about farm implement prices? At eleven o'clock on April 12 the wartime prices and trade board announced that prices of agricultural implements would be raised 12½ per cent. I sometimes wonder what parliament is for. Some of my hon. friends have chided me for not being here that day. In view of what we see happening many of you are here too much. Ninety per cent of you as government supporters are just rubber-stamps to controllership and dictatorship done behind the closed doors of cabinet council, and the other ten per cent of you that form the cabinet council evidently take advice from the controllers and the boards of dictatorship which have been established, but not elected.

How long is this country to go on like that? We hear more spectacular news when we get the evening papers than we hear in parliament. I have listened to arguments here and I at time have heard very little—

Mr. MACKENZIE: The same is true to-night.

Mr. ROWE: Well, nobody knows but the hon. member that he is here. But, Mr. Speaker—

Mr. SPEAKER: I am sorry to interrupt the hon. gentleman, but he has spoken for forty minutes.

Some hon. MEMBERS: Continue.

Mr. ROWE: If hon. members across the way will permit me to go on I shall do so.

Some hon. MEMBERS: Continue.

Mr. ROWE: My hon. friend said something about 1932. I am not going to chide the Minister of Agriculture regarding agricultural implement prices because I understand he said that he heard it first over the radio. If he did, then he is in the same position as the rest of us, because nobody else heard it before. I am glad that he said in Melfort, Saskatchewan, if the price of farm implements was raised, farm prices should be raised. I am in agreement with him on that.

The Minister of Finance is worried about inflation. I recall that I suggested we should have compulsory savings twelve months before he adopted the policy. If the minister is so worried about inflation in connection with farm prices may I ask him why he suspended compulsory savings and threw into the consumer market purchasing power of $250 million and added another $250 million in family bonuses, thereby adding half a billion dollars to purchasing power at a time when we were trying to keep the purchasing power down. This was all done at a time when we were paying over half a billion dollars in subsidies. Where is this money to come from? Are we to sell our wheat at seventy-five cents less than what the world would pay for it? Are we to sell our bacon and beef for thirty per cent less than the United States would pay for it? Are we then going to ask the labour man, the white-collar worker, the industrialist who will employ the veterans, to pay this money? That is why I am opposed to the motion of the hon. member for Qu'Appelle (Mrs. Strum). It is a negative motion. It says to labour, we will not give you any more; it encourages increases on farm implements. This party

stands for the removal of the ceiling on farm products so that the farm implement workers who make our products may get a reasonable standard of living. That is what we stand for. We believe in a reasonable standard of living for those who fought for victory. But where are these new fantastic economists who are pulling the golden rabbits out of the hat, going to find these billions of dollars?

When we have inflation, who will be the most responsible for it? The Minister of Finance has been most conscientious in trying to carry out this checkered shotgun policy of this government. But he knows very well that it will take ten times more revenue to carry this country under the policy of this government. When I came to this house first it took only one-tenth of what it does now to carry the expenditures of this country. The leading economists tell us we shall have to increase our national income, that we shall have to increase it by 50 per cent if we are to maintain these new types of fantastic Liberal policies.

If we are going to increase our income by 50 per cent, and if it takes ten times as much more to run the country, why cannot the farmers at least get parity for their produce? I will not support the subamendment, as I said, because it is a negative. I do not think the government will support it. But I believe that upon reconsideration—well, perhaps I should not say I believe it, because there are none so blind as those who will not see what these controls mean—so I will say that upon reconsideration they may not support our amendment.

In conclusion, I would ask what these controls mean. They mean that the consumers and the starving millions in Europe have the satisfaction of knowing about price ceilings in Canada, but they have no assurance that food products are being produced at a maximum.

Controls in wartime for the purpose of increasing production may be necessary. But the necessary powers granted to the executive in wartime are now being used to satisfy a lust for power in time of peace.

It may seem ridiculous, but I walked down a street in this fair city last Christmas, and I saw in the window an advertisement urging me to buy pyjamas for a dog. I walked into another store to buy a Christmas shirt for my son, but I could not get one. That is what happens under this type of controls. While national controls may be necessary in time of war, individual freedom is just as vital in peace. I know, as you know, Mr. Speaker, that if the farmers of Canada are prosperous the returned men will be employed and the farmers will be employed, and will be able to pay fair wages to the men who are employed, so that they can work and receive fair remuneration.

There has been misrepresentation by hon. members to your right, Mr. Speaker. A few may cling to the methods of war time, to methods of dictatorship, but many will prefer the ways of peace.

Competition, reasonable pay for services, recompense for individual effort, choice of vocation—all these things are influenced by the law of supply and demand. These are the main-springs of free enterprise. They are the corner-stones of democracy and of freedom. These are the bulwarks of democracy itself. That is our way of life. That is the freedom and the liberty described as victory.

The history of liberty is a history of the limitation of government control, not its increase.

I urge upon the government once more, in closing, that they give the farmers parity with other producers in Canada, so that we may feed the starving millions of Europe, and that other business may be assisted, and peace secured.

I urge upon the government to rescind some of these controls, and get rid of some of the controllers. After all, you know, many of them never milked a cow in their lives. We look forward to the day when these controls may be eliminated. This party stands for the elimination of price ceilings on agricultural production and wage controls, and in due course for the elimination of other price ceilings. I plead for the majority of the Canadian people, for the 600,000 or 700,000 farmers of Canada, and the 400,000 or 500,000 labourers, to help them to get proper returns, and in the end to obtain freedom and reasonable recompense for individual endeavour.

Mr. McIVOR: May I ask a question?

Some hon. MEMBERS: Sit down.

Mr. McIVOR: I wish to ask a question. If I am not permitted to do that, I shall have to rise to a question of privilege. The hon. member said that we were 90 per cent rubber-stamps. I should like to know if he includes me.

Mr. ROWE: I will answer that. When I saw the hon. member sitting in the front row I knew I could say that he was not a rubber-stamp. Because he sits pretty close to the cabinet, he is better than some that are in it, so that I would include him in the other ten per cent.

Mr. F. D. SHAW (Red Deer): Mr. Speaker, we have heard the hon. member for Dufferin-Simcoe (Mr. Rowe) lodge perhaps

his greatest broadside against the government. It is not many days ago that the Minister of Agriculture (Mr. Gardiner) did the same with respect to the official opposition. So that the only conclusion I can come to is this, that if just ten per cent of what was said on either side was correct, thank heaven I am a Social Crediter.

The present debate has been long. Much of a relevant nature has been said, much that has been irrelevant has been contributed. I believe that is due largely to the fact that the amendment and the subamendment are couched in indefinite terms. I have studied them carefully, but I have not been completely certain that I am able to determine just what the Progressive Conservative amendment is driving at; and their speeches have not helped to confirm any opinion I might have.

The same can be said about the C.C.F. subamendment. We find a number of contradictions in the speeches, and I have not yet received from either of those parties a comprehensive picture of what they propose as the over-all pattern which the government should have in operation.

Agriculturists in my part of Canada are extremely perplexed and not a little disturbed. That comes largely as a consequence of the fact that to-day, above all else, we lack what I would regard as stability as applied to agricultural policy. The farmers for whom I speak fear the future. There is considerable justification for that fear.

They came out of a very difficult period prior to the war, a period during which there was apparently no effort to establish what was commonly regarded as parity for agricultural produce. We all realize that at the time the farmer was receiving—and this applies to my district—as little as twelve to fourteen cents a bushel for his wheat, two cents for hogs and one cent for beef. At the same time his costs increased tremendously. I make specific reference to those things which the farmer found it necessary to purchase.

During that grim period preceding the outbreak of the war the farmer did not enjoy anything comparable to a long-range crop and live stock production policy. When he went into hog production, the bottom fell from under hog prices. When he switched to cattle, the bottom fell out from under cattle prices. He encountered the same conditions in almost every undertaking in which he became interested.

He was not able to get insurance against natural hazards such as drouth, insect pests and so on. In many areas in the west, insurance rates were so high that he found it absolutely impossible to insure against these hazards. Many areas had been completely blacked out by the insurance companies as being areas of too great risk.

He also had little if any protection in the field of debt. It has been stated frequently that during he middle thirties relief was granted to the debt-ridden farmer by the introduction of the Farmers' Creditors Arrangement Act, but experience proved that with conditions as they were at that time very few farmers were actually helped. The terms of the new agreements proved to be even more difficult to meet. After all, the thing that made it possible for a farmer to meet his debts was the prices which he received for his products. If a farmer had a $6,000 debt which was reduced to $3,000 and he was still left producing at a figure less than the cost of production, his position was just as hopeless as it had been before the debt legislation was introduced.

When Alberta adopted a realistic debt settlement policy it was promptly declared to be ultra vires.

During that grim period the farmer did not have adequate marketing facilities free from manipulation and monopoly control. I shall refer to these matters in more detail in a few moments. During the same period he was unable to secure low-cost credits for agricultural purposes.

When the war broke out in 1939 he was called upon to perform a tremendous task for his country. If one examines the production statistics between 1939 and 1944 for hogs, cattle, butter, eggs, oats, barley and flax, he will discover that in spite of his impoverished condition, lack of labour and his inability to secure adequate machinery with which to carry on his farming operations he still increased the production of those commodities to a tremendous degree. Some say that he did so because of the higher prices he received for his products. Naturally that constituted some inducement, but he realized it was essential that he do his part on the home front to the best of his ability just as our service personnel were performing on the field of battle. During war time the farmer was not given any indication that the policies then instituted would be such as to enable him to look into the future with any degree of confidence.

We speak about a forty-hour week, but I think it is well known that the farmer talks in terms of an eighty or ninety-hour week. During the war period when there was less skilled help his hours of labour exceeded even that point. I wish to emphasize that in spite

of every possible handicap with which an industry could be confronted, agriculture did perform magnificently during the war.

Then we passed out of the period of the war. The farmers in my part of Canada are becoming greatly incensed because of certain policies which have recently been put into effect. As one chap said to me when I was back home at Easter, referring to the increase in farm machine prices, "It is just another kick in the pants, and on the basis of that we can anticipate quite a number of others."

During the war the farmer agreed to accept lower prices for wheat that was consumed domestically or by the Canadian forces as a contribution toward the prosecution of the war. When the export price of wheat was in the neighbourhood of $1.55 a bushel, he was given approximately $1.25. In accepting from twenty to thirty cents a bushel less, he realized that he was receiving much less for a better grade of wheat than was being paid south of the border for a poorer grade.

The farmer feels that it is not fair that the machine companies just have to protest or refuse to produce and they are granted increases.

The farmer indicates to me also that he resents the fact that labour demands, or strikes, and is granted increases in wages when he must sit back unable and unwilling to engage in strike action. I think it is well known that the return to the farmer to-day is practically the same as the return to industrial concerns in 1941, yet industry gets increases. He feels that there is a deliberate effort being made to keep him in a condition of permanent bankruptcy. An attempt has been made to stabilize farm prices, but the farmer contends that stabilization makes sense only as long as the costs of the commodities which he has to buy are also stabilized. We did not hear many complaints from the farmers in the part of the west in which I live until the costs of the commodities which they had to buy started to be increased. As I stated a moment ago, this started with the 12½ per cent increase on farm machinery.

The farmer asks that he be allowed one basic thing, namely, a fair margin of profit over and above his complete costs of production. It is most maddening for an industry of this kind to be subjected at one moment to high speculative prices, carry on its business for a period on that basis, and then be faced with low depressed prices at the next moment. There can be no stability in the agricultural industry until we remove that situation. The farmers are also greatly disturbed because of the recent action taken with respect to the subsidy on milk. They have indicated to me that they felt that the consumer subsidy on milk was one of the most scientific subsidies known to man. The farmer looks upon it as granting to him a fair return for his product. He looks to the consumer as one who was, while in receipt of a subsidy indirectly, able to purchase substantially more of his milk product than he could prior to the application of the subsidy and considerably more than he will be able to buy when milk jumps to eleven, twelve, fourteen and sixteen cents a quart as it is bound to do in many parts of Canada by the end of September next.

The farmer also feels this: If we go to the consumer now after removing the subsidy and take the full two or four cents a quart from the consumer, we are taking from him the money or purchasing power with which he would be able to purchase other farm products. So I say that he calls that another kick in the pants.

He has chafed for years under the existing freight rate structure in this country; yet he reads in the paper that the two great railroads of Canada are likely to apply for permission to increase freight rates and he feels that their application will be granted, even though we have in operation in this country one of the most iniquitous freight rate structures to be found anywhere in the world. In discussing freight rates the farmer of western Canada says to me: Why should there be a generally lower scale of rates between points in eastern Canada than between points which are the same distance apart in western Canada? He chafes under that, and until such time as that condition is rectified he will continue to do so.

Then he asks: Why should there be higher freight rates on certain basic commodities produced and consumed in Alberta than rates on the same commodities produced in eastern Canada? He refers to the unfavourable position of the distributor and the consumer in Alberta as a result of the water-compelled lower trans-continental rate basis from eastern Canada to coast points as compared with Alberta points.

I also hear farmers constantly referring to the unfavourable position of Alberta relatively as a result of the rate structure between eastern Canada and Alberta breaking at the head of the lakes, and of the unfavourable effect of the rate structure applying between the head of the lakes and Alberta points caused by the constructive mileage introduced between Fort William and Winnipeg.

Then he refers constantly to his unfavourable position in Alberta relatively to other western provinces as a result of the higher mountain scale of rates in effect over the prairie provinces. Finally, he refers to the

grain rate structure between eastern Canada and western Canada, and particularly as it detracts from Alberta's geographical advantage of using the province of British Columbia as a consuming market.

These matters are being discussed almost daily out there, and when the farmer reads that the railroads are likely to ask for permission to increase their freight rates, naturally he becomes extremely incensed because he knows that these applications for increased rates have been granted before and he concludes that they will be granted again.

We have a condenser in my constituency. Milk canned at that point and shipped to Vancouver pays a higher rate than that on the same quantity of milk canned in Ontario, say at Tillsonburg, and shipped to Vancouver. That is a most disturbing thing because, if we take into consideration the higher freight rate costs, the industry in Alberta cannot pay to the producer a comparable price to that paid in districts adjacent to Tillsonburg in Ontario.

We feel—I am speaking of the farmers—that we in that part of Canada are forced to absorb the shock from both east and west and on both exports and imports. I am pleased to know that the governments of the three prairie provinces have been able to get together with a view to prevail upon or assist, whichever you choose to call it, the Dominion of Canada in bringing about a more equitable freight rate structure in this country. I cannot see for a moment how you can grant justice to the farmers if that is not done.

Reference has been made here—and I constantly hear farmers referring to it—to marketing facilities. They insist upon adequate marketing facilities free from manipulation and monopoly control. They make particular reference to the live stock industry, and here the packers enter into the picture. A farmer handed me a clipping which he had evidently cut from a copy of the evidence given before the royal commission on price spreads in 1935. He showed me a statement which he said appeared between pages 59 and 60 of the price spreads report which was made by the president of Canada Packers Limited before that commission. It was this:

> The total live stock is sold for the total sum, whatever it is; from that sum is deducted the packer's expense and the packer's profit and the farmer gets the balance.

Can one be surprised at our live stock producers being greatly agitated when they read a statement of that kind emanating from the then president of Canada Packers Limited? The evidence went on to point out that between 1929 and 1934, when the live stock industry, which is one branch of agriculture, was taking such a terrible beating in western Canada, the profits of the packing industry increased threefold.

The farmers say this to me repeatedly: We realize that the packers are in business to make a profit; we have no complaint against their making a legitimate profit because we ask the same opportunity for ourselves, and we realize too that the packing industry performs a useful function in the country. But they do not agree that a system should be permitted which enables those in the packing industry, which in effect is a monopoly, to thrive during a period when the primary producer does not receive a sufficient return to make it worth while for him to take his live stock to market. The profits of the packing industry increased between 1929 and 1934 by about 300 per cent. I should have mentioned that they wrote off repair charges and depreciation in a scandalous fashion, and the price spreads commission reported accordingly, saying that if the repair charges and depreciation had been fair—I will not say honest—the profits during that period would have been considerably greater. As the president of Canada Packers at that time said:

> The total live stock is sold for the total sum, whatever it is; from that sum is deducted the packer's expense and the packer's profit and the farmer gets the balance.

Another matter to which we must pay heed if we want stability in agriculture is the tariff. The farmers are discussing these matters much more frequently and much more intelligently than probably they did a few years ago, and this seems to be their general view with respect to tariffs. The farmers in my area believe that the tariff impoverishes the nation by an amount much greater than the value of any non-material national purpose it may achieve, and I am personally in agreement with that view. They believe that tariffs should be reduced on commodities entering into the every-day cost of living. It is most essential that that be done so far as our western farmers are concerned. Moreover, they certainly believe that there should be a proper division of the national economic burden of tariffs, bearing in mind, of course, provincial populations. In the past, as shown by statistics presented during this debate, the farmers of the west have borne a tremendous load in connection with machine costs simply because of tariff barriers and embargoes designed, I say, to profit the industrialists of central Canada. They remember vividly out there, with respect to tariffs, the extent of the absolute burden during the depression. If I were to indicate four incidents with respect to tariffs which made it much more difficult

for the farmers during the depression years, I would refer to the enormous expansion of the number of items which were added from year to year to the tariff list, the increased import duties, the application of anti-dumping legislation, and fixed values for duty purposes. Farmers certainly feel that the whole matter of tariffs will have to be carefully scrutinized, and that we must bring in a realistic policy if we are to have a flourishing, sound agriculture during these post-war years.

We cannot forget that in 1931 we in Alberta paid $8,211,148 in tariff subsidies to protected manufacturers. If I remember correctly, the Manitoba brief to the dominion-provincial conference estimated that the cost amounted to $110.38 per western farmer. Canadian farmers on that basis paid $32 million in the year 1931 because of tariff protection given to the manufacturers of central Canada. So that I think, when some people talk about the "poor relation in the west", the western farmer, they should bear in mind certain of the burdens which have been borne by those farmers because of protection granted to industries in central Canada.

As I stated early in my remarks, it is my firm belief that if we are to have a stable agriculture we must, as was indicated in his concluding remarks by the hon. member for Dufferin-Simcoe, have parity prices established. I cannot see how we can avoid it. There is a great deal of argument as to exactly what "parity" means. There is a great deal of disagreement as to exactly how it should be established. I do not profess to be any expert, I do not presume to indicate how it could be established, but I say with certainty that we have in this country people capable of establishing it. In the second place, we must have during future years a long-range crop and live stock production programme in this country, not one just for this week or next month. I would say too, having in mind the various natural afflictions from which we suffer in the agricultural areas of the west, that we must establish a general crop insurance scheme. I would even go so far as to say that I personally feel it should be established on a non-contributory basis. We must arrange adequate low-cost credits for our western agriculturists. We must have equitable debt adjustment. The hon. member for Provencher (Mr. Jutras) indicated that farmers had paid approximately 50 per cent of their indebtedness. That is a tribute to the character of our farmers; it proves one thing, that they are willing to meet their obligations when they can, but it also proves that they still have on their shoulders 50 per cent of their burden. Moreover, I have known many farmers—hundreds of farmers—who were completely out of debt but who, when prices went to rock bottom, soon found themselves hopelessly mired in debt again. With no control over the general price structure that may be the inevitable result. We must remove from our marketing facilities any manipulation which may exist and, certainly, monopoly control of the industry. Then, as I stated, we must also have adjustments in our freight rates structure and in our whole tariff set-up.

Let me emphasize also that one of the things which is bothering the farmer tremendously to-day is this question of taxation. He calls the tax collectors "predators"; some of them call them "pre-daters". I think all hon. members will agree that when a farmer, faced by conditions over which he has no control and which threaten to take from him everything he has accumulated over the years suddenly finds himself with an income which, though not large, is much better than he has ever had before, it is natural that upon being pounced on for taxes, even upon an income of only $1,200, and having part of it taken away, he chafes because he realizes that in all those years when he had next to nothing the dominion government was extremely reluctant and tardy in coming along and granting him the assistance which alone would make it possible for him to carry on. I think it is quite reasonable to suggest that the unmarried farmer should not be taxed on the first $1,200, or the married farmer on the first $2,000, of his income. I think also that, in bombarding us as the farmers have with requests for action in this regard, they are making a legitimate request. Let me assure the house that we over here took that stand long before we were bombarded with cards requesting that this course of action be taken.

I do not wish to take more of the time of the house, but let me emphasize, what I believe all hon. members know, that we cannot have a stable economy in Canada without having stability in our basic industry, namely agriculture.

Mr. THOMAS REID (New Westminster): Mr. Speaker, in rising to take part in the debate I want to deal particularly with the statements made in the motion of want of confidence moved by the leader of the opposition (Mr. Bracken). First of all, however, may I say that I am sorry that the hon. member for Dufferin-Simcoe (Mr. Rowe) has now left the chamber. Though he was gibing at some members on this side for being new members and as not knowing what had occurred in the past in this house, I can speak as a member who has been here from 1930. I well remember sitting over there just about where the

leader of the opposition is sitting for the moment, and during all the years from 1930 to 1935 I never heard the hon. member for Haldimand (Mr. Senn) or the hon. member for Dufferin-Simcoe have much to say about the farmers. There was a silence over here regarding the farmer that could almost be felt. It went through my mind also that in the great campaign of 1930 his party slid in to office on butter. In 1930 they went through the province of Quebec and spoke about "fifty cents for butter"; and then I thought of the years 1930 to 1935 when butter was so cheap they were greasing axle wheels with it; cows were being sold for five to ten dollars, and eggs for seven to nine cents a dozen. I realize however, that to go back to those days and dwell on them now serves no really good purpose, but I mention it because I listened attentively to the hon. member for Dufferin-Simcoe, and his party is to be congratulated because about three times a year that kind of show is put on by the Progressive party.

I intended to deal particularly with the want of confidence motion of the leader of the opposition, and I am coming to that now. I believe that motion can be briefly stated in four sentences: A lessing production owing to the inequitable position of agriculture. Production down; dairy products, poultry and hogs. Canadian wheat should be the same price as in the United States, and the agricultural contribution, if so, amounts to about $200 million. Finally, no justification in holding the price down.

To take the wheat statement first, everyone knows that wheat is the king-pin of our national economy, and I was surprised at what I term a loose statement made by the leader of the opposition, that he would take wheat, the king-pin of agriculture, remove the ceiling, and let it rise to the same price as in the United States. May I point out to you, Mr. Speaker, and to the house that the farmers of the United States are not any better off or as well off as the farmers of Canada. I just came across a press clipping which states that 2,000 farmers intend to leave what is called the good old United States where all these prices are received and come to northern Alberta and British Columbia, to God's country, the best country on earth. I am wondering if the leader of the opposition has considered what might happen and, in fact, what would happen if we were to follow the United States in regard to the price ot wheat. I am surprised that when he spoke of the price of wheat he did not go farther and take in all other articles, for I think it can be said without fear of contradiction that if you lift the lid off wheat and all farm products you had better be prepared to lift the lid off everything. If that is the policy being enunciated by the leader of the opposition he should come out and tell this house and the country that that is exactly what he means.

Let us see for a moment just what would happen in this country. If the price of wheat were raised to over $2 a bushel the first thing we would have to do would be to call in all the agreements we have with Great Britain and make a readjustment in regard to prices. We would have to say, "Well, when we settled these agreements with you and the prices were fixed, we agreed to give you wheat at the present set price. Now it has gone up to over $2"—and it would have to go to that price to equal the price in the United States—"we will have to raise prices and have new agreements." Just how that would work out no one can predict, but I am wondering if hon. members of the Progressive Conservative party have thought how the people of British Columbia would be affected if such a thing were to take place. As far as farming is concerned we in British Columbia go in principally for poultry, eggs and dairying, and we are a wheat purchasing province. We look to the prairies for our wheat, our barley and our oats, and the price there definitely affects the produce we have to sell. It is well known that were it not for the large subsidies paid at the present time by the government we could not carry on and make ends meet.

A few nights ago, when we were discussing the removal of the two-cent subsidy on milk, a thought entered my mind. I wondered if hon. members realized that the people of this country were paying the full price for milk anyway. If you look at the figures you will find that from 1939 to January of this year some $23,888,666 has been paid by the people of Canada in that two-cent subsidy on milk. So that when we speak of the price of milk being increased, let us not overlook the fact that the people have been paying this two cents right along. But it is well known that the nicest way to tax people is not to let them know they are being taxed at all, as we collect the sales tax and so on, by taking it from them indirectly. But when the Minister of Finance (Mr. Ilsley) brings down his budget and we come to discuss the income tax no doubt we shall hear a cry for increased subsidies and lower taxation. Just how those will be reconciled I do not know, and I doubt if even the minister will be able to reconcile them. But what about the other commodities if our wheat prices follow those of the United States? Wheat is but one thing. Lift that lid and the ceiling is off as regards everything else.

Mr. FERGUSON: Why?

Mr. REID: I do not think I need waste a great deal of time saying why. In the first place, wheat is the king-pin, and if you removed the ceiling on wheat every other commodity would demand the same treatment. Do you think for a moment that labour and the manufacturers would remain quiet if you permitted the price ceiling to go where it liked? But I am going to leave this thought with hon. gentlemen opposite, and with the leader of the opposition. Are we going now to adopt the policy that in times like the present, when prices a little better than those guaranteed may be obtained, shall allow the prairie farmers to be free agents and go into the world markets to obtain those prices; and then when wheat drops to away below a dollar have them turn around and say it is up to the state to assist or protect them? Personally I do not think you can have it both way. If the state is to take an interest in the farmer when the price is low, in my opinion the state should take an interest when the price is likely to go out of sight. To my mind, the policy suggested by the Progressive Conservative party is extremely short-sighted, and I shall give my reasons for making that statement.

Mr. FERGUSON: If I may ask a question, have this government given the farmers any assurance that they will set a floor price when the price of wheat drops?

Mr. WEIR: They have already done that.

Mr. FERGUSON: Have they given that assurance to the farmer?

Mr. WEIR: Yes.

Mr. FERGUSON: They have assured the farmers of Canada that, irrespective of the actual price, they are going to get a floor price continuously, year in and year out.

Mr. REID: My information is that the present government have guaranteed the farmers that at no time within the next five years will that price drop below $1 a bushel. They have put a floor under wheat.

Mr. FERGUSON: For five years!

Mr. REID: At least. That will do for the present, and that answers my hon. friend's question. For the next five years at least the price will never go below that figure. The farmer is assured of $1.55 at the present time, because he gets $1.25, less the freight to Vancouver or Fort William, and then he participates in sales of wheat abroad at whatever price is obtained. That is the picture as I get it from the Department of Agriculture, and generally speaking, I think that is a correct statement. Surely the guarantee to the farmer is worth something. Surely it is of some advantage to be guaranteed a definite minimum return. In a moment or two I am going to dispute, and try to prove my point with figures, that price has not been the principal reason if there has been any drop in agriculture. I am going to take the statements made by the leader of the opposition, and I am going to give the authority for any figures I quote. I believe that when figures are quoted in this house the source of the figures should be definitely stated, so that one hon. member is not quoting from one source, and another from some other source. I have gone to the bureau of statistics for the figures I am going to quote, and I am sure no one will accuse the bureau of statistics of being a partisan body. I have kept away from the Department of Agriculture and any other department. To-night I am sticking to the figures of the bureau of statistics.

Before I deal with that, may I say that it is a well-known fact that farmers are not satisfied. I know of no group of individuals in this country who are satisfied. Even members of parliament are not satisfied. I have met members of parliament who have received an increase of $2,000 and some of them are not satisfied. I know that some have attended the sittings fewer times since they received the increase than formerly. I say that as one who has been present at every sitting. No group in Canada is satisfied. No one seems to be satisfied. And so the farmers are not the only class of people who are not satisfied.

The leader of the opposition said that the production of dairy products is down. He mentioned poultry and hogs. From the figures I received from the bureau I find that the statement made by the leader of the opposition is not correct in so far as dairy products and poultry are concerned. I hold in my hand the years and the millions of pounds of production of meat in Canada as given by the dominion bureau of statistics. I find that more beef has been produced up to 1945, which is the highest year since 1935. More veal was produced. There was more mutton and lamb produced in 1945. There was a greater production of turkey and chicken in 1945 than in 1943 and 1944, or the average between 1935 and 1939. Therefore the statement made by the leader of the opposition should be corrected. I am endeavouring to correct it to-night and put on the record the exact figures given to me rather than just make a general statement. It is all very well to make a general statement and say that production is down. I am placing these figures on *Hansard*

to-night, so that any hon. member may check them later and refute them later if he cares to do so.

If one goes over the list of products of agriculture he will find that, on the average, the production is not down from 1935 to 1945 except in some few instances. Here again the leader of the opposition has not mentioned the effect the weather has, and it is a fact that the weather influences our crops.

The leader of the opposition dealt particularly with wheat. I looked over the figures for wheat, oats, barley, hay and clover, and I found that in 1940 there were 54·1 million acres in all sown; in 1945 there were 55·4 million acres sown; in other words, there were 1·3 million acres more. Regarding wheat, with almost the same acreage as in 1945, the production of wheat was 129·6 million bushels greater in 1944. The same thing applies to barley. With the same acreage in barley the crop in 1944 was 36·9 million bushels greater than in 1945. Oats with the same acreage produced 118 million bushels more in 1944 than in 1945. Hay and clover were a little less. In fact, in 1941, with two million acres less, on the average the wheat crop in that year was greater by nine million bushels. Why? Because of weather conditions. But the leader of the opposition tried to leave the impression and I believe he partly succeeded in certain quarters, that the production of agriculture was the result of the policies of this government and the prices that are being paid. I claim that that is somewhat of an indictment of the farmers, because with nearly 400,000 fewer people on the farm they have, since 1939, been producing more year after year. The production in 1945 shows an increase in most instances. It certainly shows an increase in dairy products and in poultry. It is true that hogs dropped down a little. Milk production is about the same level in 1945 as in 1944.

There is one element that enters into the fact that our people are not keen to go on the land, which was not mentioned by the leader of the opposition, namely, the attitude of labour to-day. With fewer men on the farm, with more machinery, farmers are producing generally more than they did in 1939 or 1940. When young men read of the proposals of certain labour organizations, some of which are asking for a six-day week, $25 a week minimum pay, time and a half for overtime after thirty-six hours, double time for Sundays and statutory holidays, and the payment of at least $25 per week for the full period of unemployment, is it any wonder that many men cannot be induced to stay on or go back to the farm? I do not know whether Your Honour has farmed, but farming is one of the occupations where you just cannot put it over old mother nature. You have to work on the farm. You get up early in the morning and you work long hours, or you do not stay long on the farm. With the trends that are taking place and the way things are going, is it any wonder that many young men are thinking as they are and drifting into the cities by the thousands?

If the leader of the opposition had been covering the whole gamut of our life it is a wonder he did not suggest the following for the farmers: For cleaning the stables and hauling the manure the farmer should have at least as much as the garbage collector; for eighty per cent of the time that he is working as a scientific agriculturist he should have an hourly rate of pay equal to that of the skilled mechanic; for working as a business manager he should be paid as much as a business man with similar investments; for the money he has invested he should have returns comparable with the earnings on money invested at comparable risks. He should have all this income but he has never had half of it. Farming, of course, cannot be put on a dollar-and-cents basis, because farming is not altogether a business; it is a means of living, a mode of life, and those of us who live on the farm do so because we love that kind of life or occupation.

I come back again to what the leader of the opposition dealt with in his endeavour to leave the impression that the drop in agricultural production was due to the policy of this government. I say that it was an irresponsible statement made by a responsible public man, because I believe it is contrary to the facts, as can be seen if one analyses all the facts carefully.

Speaking about labour conditions, I say it is one of the greatest indictments of our country that we have to keep here something like seventeen thousand German prisoners of war to work in pulp camps and sugar beet districts. If they stay here much longer I would be surprised if some champions on their behalf will not later rise and say these men saved agriculture in the years 1945 and 1946. I repeat, it seems almost an indictment of our people that these men are remaining. Personally I should have like to see them taken out of this country just as soon after the defeat of Germany as possible, because these men have been bred in nazism and should not be left any longer in Canada.

I heard the hon. member for Dufferin-Simcoe (Mr. Rowe) speak about being friendly to labour. I am sorry he is not in his place

at the moment because I was going to deal particularly with German labour in so far as he was concerned. If I never got a man to work for me I certainly would never take a nazi. I submit that these men should have been sent back long ago. But if you are going to lift the ceiling on wheat and provide the same price as they receive in the United States, then let us go all the way. If that is what the leader of the opposition wants, why does he not say so? It is all very well for him to advocate a wheat policy, but if inflation overtakes us who will be held responsible by the Canadian people? This government will be held responsible, and that is where the difference lies. This government is responsible for the welfare of the people of this country. But when one is in opposition these statements can be made, because if anything disastrous happened—and I claim it would happen if the ceilings were taken off—the entire blame would then rest with the present government. What would happen in British Columbia and elsewhere in Canada if there were no ceiling price on lumber? I know some people in British Columbia who are so eager to get lumber that they would gladly pay $100 for a thousand feet of it. We are thankful for the fact that there is a ceiling price on it. But that is only but one example.

We produce enough lumber for our own people, but there are other factors which enter into the sale and disposal of Canadian lumber. There is the matter of shipping our lumber to Great Britain and keeping our trade both with Britain and the United States open, and let us not forget that the United States supply us with 50 per cent of our coal. One might ask why we do not produce all the coal here, and why we have to depend upon the United States.

In the past year more lumber was produced in Canada than in any other year in our history. But, as everyone knows, we are supplying Great Britain and a certain percentage is going to the United States. Those are markets which must be maintained. The lumber manufacturers have said thus far, without contradiction, that if all the lumber in this country were sold in Canada the price would jump from $15 to $25 a thousand immediately, due to labour costs and the price of logs which they purchased in the open market. That statement has never been refuted.

Let us again look at prices in the United States. All our fishermen who catch fish in Canadian waters, on both the Atlantic and the Pacific, would have to get the same price as they get in the United States. Workers would have to receive the same pay. Where would it all end? The whole thing comes down to this that the people in the United States are not in as good position as we are in Canada, where price ceilings have been kept down by the present government.

My chief reason for rising this evening was to deal with the statements made by the leader of the opposition. My analysis and my reading of the figures presented by the bureau of statistics certainly do not bear out what he said. The only conclusion one can draw from his statement is that the price of wheat in this country should follow the United States price. He and his party evidently are in favour of lifting the lid off price ceilings. I say to the people of this country, God help us if that happens.

Mr. H. R. ARGUE (Wood Mountain): Mr. Speaker, I was glad to hear the hon. member for Dufferin-Simcoe (Mr. Rowe) make clear to the house the policy of the Progressive Conservative party. The party for which he was speaking this evening wants controls lifted from everything. I think reasonable people in Canada everywhere know that this would mean inflation. And when the spiral of inflation comes, the workers, farmers, small business people and professional people are caught in that spiral and suffer tremendously.

It has been suggested by many hon. members that the workers and farmers do not see eye-to-eye on the policy of price increases. May I point out that recently in Saskatchewan the United Farmers of Canada, Saskatchewan section, the Trades and Labour Congress of Canada, the Canadian Congress of Labour and the Saskatchewan Teachers' Federation set up the Saskatchewan occupational group council and issued a joint statement respecting their policy on ceiling prices.

First of all, they pointed out that as a solution of the spiralling of prices we request the reestablishment of price ceilings as legally in force in August, 1944. Further they said:

> We agree with the principles of parity prices, and we suggest it be placed upon the basis of $1.55 per bushel for wheat, with a royal commission appointed to set all items and wages in comparison thereto.

That organization representing farmers, labourers and professional people went on record as supporting parity prices, and saying that $1.55 a bushel for wheat was something close to parity price. They also asked that the government provide equal representation of all occupational groups, on the wartime prices and trade board, or on any other price control board. This agrees with the policy of the C.C.F. as enunciated many times, in that any board having to do with the making of policy affecting the people of Canada in an economic

way should have on it representatives of the farmers, the industrial workers, small business and the professional people in Canada.

The council further stated that if any logical reason were given by the government why the requests for a return to the price ceilings of 1944, with certain exceptions, were not followed, then they supported the stand of the United Farmers for a 20 per cent increase in the prices of grain. They, too, were supporting a policy of parity prices, because they said that if the cost of things the farmer has to buy goes up then prices of commodities the farmer has to sell should also go up.

The leader of the Progressive Conservative party (Mr. Bracken), speaking on his amendment, made certain that he did not criticize the government in any respect for having allowed the 12½ per cent increase in the price of farm implements. He did not say that the implement companies were not deserving of it. One can see, if he reads the speeches of members of the Progressive Conservative party, that they are supporting big business from one end of Canada to the other—and I shall be the first to admit that they are doing a fine job of it.

Much has been said in the debate about the reduction in the selling costs of farm implements. It is true that there has been a considerable reduction. I do not think the precise nature of that reduction in selling costs has been pointed out to the house. When we understand how the reduction has taken place we shall see that it is permanent, and that in some respects it has not been brought about in the most admirable way.

Ten years ago, if a man in a small town were in the implement business, he was an implement agent. He had little to invest by way of capital. That man was simply the contact man for the implement companies. He talked to farmer customers and drew up a slate of prospects for various implements. He sent that slate of prospects to the implement companies, and they in turn sent a salesman to the town. The agent would get into the salesman's car and they would go out to the farmer's home. Then, if a sale took place, and payment were to be made on time basis, the company would take the responsibility of making collections. The agent would receive his commission, and he had nothing to lose as long as the sale went through.

Then, too, the companies used to stock repairs for implement agents. Every once in a while the auditor would come around and check the stock of repair parts, and the agent would be asked to pay for the repair parts he had sold. The point is that the implement agents were not forced to take any credit risks and were not asked to put a great deal of their money into the business.

Mr. ROSS (Souris): That is not true.

Mr. ARGUE: That is true. I happen to have had direct association with the implement business in Saskatchewan, and those are the facts. I venture to say that to-day 80 per cent of the people who were implement agents have now nothing to do with the selling of farm implements. Perhaps twenty per cent of those people are now dealers and they are in a much different position from what they were in when they were agents. A dealer must put in a complete machine repair and service shop. He must hire mechanics and supply tools. He must carry his own stock of repair parts. He must buy the machines from the company and sell them to the farmers. If we get back to time sales in the future, should any loss occur the implement dealer will absorb it and the implement company will lose nothing because, as soon as a machine leaves their hands, it is completely paid for. I want to point out the growing monopolization in the implement distribution field. The small business man no longer has a chance of making a living; instead he is asked to put thousands of dollars of his own money into a very risky business. When the squeeze comes he is the one who will be squeezed out. In presenting his statement to the house after the increase had taken place, the minister said as reported at page 853 of *Hansard*:

> In their submissions the companies disclosed increased costs since the basic period of 1941 averaging, roughly, materials and components twenty per cent, labour twenty-eight and a half per cent, and general overhead twenty-three per cent.

I think it would have been fairer to the people of Canada generally and to hon. members if we had been given an opportunity to hear the submissions made by the implement companies, to conduct a thorough investigation into those submissions and then attempt to find out if increases were necessary and, if so, how much they should be. According to the implement companies, material costs have increased twenty per cent. I wonder what part of that increase was due to the increase of $5 a ton in the price of steel allowed some time previously. When steel was increased $5 a ton it meant that in each process in which steel was used there was a pyramiding of the $5 a ton increase. If any of the increase in the cost of materials was

due to the increase in the price of steel, then this government is responsible for the increased cost of materials.

We were told by the implement companies that the cost of labour has increased 28½ per cent. I do not know if that is true and I am not going to pass judgment on that statement, but we should have been given sufficient evidence to know whether or not it was true. On looking at the report of the parliamentary committee which sat in 1937 to consider farm implement prices, I find that of the labour costs of producing a machine, 51 per cent was indirect labour. Of that indirect labour, one-quarter was for the payment of foremen and foremen's assistants and one-third was for the wages of factory executives and clerical workers. I should like to know if any large part of that 28½ per cent increase in the cost of labour is due to large increases in the wages paid to foremen and factory executives.

Mr. ILSLEY: No.

Mr. ARGUE: The minister assures me that that is not so. I hope he is correct, but I should like to see evidence of it. Surely the people of Canada will say that if part of that increased labour cost has been given to the foremen and factory executives they do not want to pay that additional cost. The company said that the overhead had increased 23 per cent. We do not know whether their depreciation calculations were reasonable. We do not know whether the fixed payments on capital were reasonable. But we do know that in 1944 the Massey-Harris Company made $1,800,000 profit, which was 80 per cent more than they made prior to the war. The Cockshutt Plow Company doubled their profits from 1937 to 1944. These figures show that these companies have been doing quite well. We should know whether the trend toward increased profits has changed; we should know whether these companies could have gone on increasing their profits with the old retail prices. I suggest that these questions have not been fully answered.

Mr. ILSLEY: They were answered by the hon. member for Victoria, B.C.

Mr. ARGUE: I shall deal with him in a minute. The minister went on to state, as reported at page 852 of *Hansard*:

> I should add that the analysis of costs conducted by the prices board indicated that a price increase of upwards of 30 per cent above 1941 levels would have been required to regain 1941 profit percentage margins for the farm implement industry. Consequently, the price advance of only 12½ per cent means, admittedly, a serious profit squeeze upon the industry.

I am going ahead to prove that that statement is not in accordance with the evidence as we have it in this house, nor is it in accordance with the statistics to which we have access. The increase of 30 per cent refers to factory costs, and the parliamentary assistant stated that. What we want to know is what the 12½ per cent increase in the retail price means when it is applied to the factory cost. I have before me the proceedings of the special committee on farm implement prices, and on page 138 is a table setting out the total costs and sales realizations of typical implements manufactured in Canada. This table gives the cost of the various items going into a machine. The retail price is taken as 100, and over a long period of years the cost of materials is shown to be 27·01 per cent of the retail price. We are told that the material cost increased 20 per cent. If that is so, then a 5·4 per cent increase in the retail price would take care of the increase in the material cost.

It is stated in this table that the labour cost is equal to 8·64 per cent of the retail selling price. We were told by the Minister of Finance that the labour cost had increased 28½ per cent. In order completely to cover the increased cost of labour the retail selling price needed to be increased only 2·46 per cent. We should not be told any more that prices are going up because labour is getting more. I have shown by these statistics that the claimed increase in labour costs amounts to only 2·46 per cent of the retail selling price. We are told by the implement companies that the burden cost increased 23 per cent. The parliamentary committee found that the burden cost was 13·89 per cent of the retail price. That cost has gone up 23 per cent, so that an increase of 3·19 per cent in the retail cost of farm machines would have fully compensated the companies for the increased burden which they claim took place. Instead, the government gave the implement companies a 12½ per cent increase on all implements. The total increase in the retail selling price that would have been necessary to cover all the increased material costs, labour costs and burden costs claimed by the companies is 11·05 per cent. So that the claim by the government that they drove a hard bargain cannot be substantiated by the facts. After they came out of the conference with the implement companies, they gave the companies 1½ per cent more in a retail price increase than would have covered all the increases in all the costs which the companies claimed had taken place.

Mr. ILSLEY: I do not want any misapprehensions to get abroad. The items in the cost

of implements are not only those the hon. member mentioned. There is the item of direct materials, which constituted 38·6 per cent in 1941, and in 1946 it constituted 55 per cent of the cost of this particular implement, which is a 20-run double disc drill. Then labour, direct, in 1946 constituted 11 per cent of the cost, and labour, indirect (70 per cent of factory overhead) 17·2 per cent; other factory overhead, 7·3 per cent; engineering, development, warehousing, shipping, general and administrative, 13·4 per cent; selling expense 17·3 per cent. Then there was factory profit or loss, which was nil without the increase granted. I can give, and I will if I have time, the increases that took place in the various items of cost, between 1941 and 1946 as regards that particular implement. Those increased costs showed a factory loss of $53.08 on that implement. My hon. friend cannot pick out just two or three items of cost but must take the whole lot if he is going to present a correct picture.

Mr. ARGUE: I assure the minister that I did take the whole lot as presented to the parliamentary committee, which constituted the picture for Ontario and for Regina. Those facts are substantiated, and for the minister to bring into the house at this time figures on one particular implement as the minister has done is merely to shift the whole basis of his argument.

Mr. ILSLEY: I have similar figures for a number of other implements.

Mr. ARGUE: We would like to have them. We have not yet been given a decent explanation. The parliamentary assistant had this to say:

> The Minister of Finance has already informed the house that such cost increases were in excess of twenty per cent over this period and such cost increases could not be offset entirely by a reduction in general expenses.

But all the increased costs that the parliamentary assistant referred to have to do with factory costs, material costs, labour costs, general overhead costs.

Mr. ILSLEY: I want to correct that. The figures given by the hon. member for Victoria, British Columbia, were after crediting the saving in selling expenses. The saving in selling expenses between 1941 and 1946 was 20 per cent, and between 1936 and 1939, 40 per cent. But making a comparison between 1941 and 1946 the figures given by the hon. member for Victoria, British Columbia, were after giving credit for the saving in selling expenses. If the selling expenses had not been deducted the amount of increase that would have been required to save the companies from an absolute loss would have been considerably greater than the increase which was actually given.

Mr. ARGUE: The Minister of Finance gave a statement to the house. I think what he is saying now substantiates what I have said, that a complete explanation has not been given to this house, and I would suggest that he give it all in one speech, instead of taking up parts of my time here and there.

The Minister of Finance stated that the increased costs were on materials, labour and overhead. We shall just leave out for the moment what the hon. member for Victoria, British Columbia, had to say. I have substantiated, I believe, and the minister can read my speech in *Hansard* to-morrow, that on the basis of the percentage costs of the retail price as shown by the report of the special committee of this house in 1937, the companies have been given a retail price increase that more than covers all the increases in costs which they claim have taken place. The parliamentary assistant to the Minister of Finance listed a number of machines, and he went over them to point out the comparison between the price relief that had been given and the cost increase. Then he had this to say:

> I think the house will agree that the implements selected are in common use by farmers, and it is therefore important to note that in all but one of the cases the amount of relief provided is appreciably less than the actual cost increase incurred.

Looking over the list of implements which he gave, I see a five-foot mower. There are not many of those sold in Canada. I see also a manure spreader. That may be of some use to the farmers but I think it would be of much more use to the members of this house.

I made it my business to find out the value of the various implements that have been sold in Canada in a recent year. I was able to obtain the figures for 1943. I think the value of the different implements that are sold in any one year is important, because all of us will realize that if an implement company can make an unusually high profit on one implement, and if that particular implement brings in much more revenue than any other implement, the company can afford to make only a little profit on some other implements so long as it is making a lot of profit on its most popular implement.

On the 8½-foot one-way disc the companies were given an increase in price relief of $3.62 above the cost increase. In 1943 all of the drills sold in Canada—and that includes the 13-run single disc drill, the 20-run double disc drill and all other drills—amounted in value to $730,300. The value of the one-way discs

sold was $2,064,500. The company sold one-ways to the value of almost three times the amount they received for their seed drills. So that, naturally, if the implement companies can make a large profit on one-ways, which sell to a value of three times as much as all drills, they can afford to take a lesser profit on the drills that they sell.

The value of the binders sold in 1943 was $582,700. There were sold $2,064,500 worth of one-way discs, almost four times as many one-way discs in value as the binders sold in that year. So, that, if the companies can make satisfactory profits on the one-way disc they can afford to take a lesser profit on binders, because they are selling so many more one-way discs in value than they are selling binders. Anyone in western Canada knows that the one-way is the most popular implement, that the trend has been for farmers to buy more and more one-way discs. Many farmers are seeding their crop with the one-way disc and are doing all their summer-fallow operations with these implements. That is a trend which will be continued. In the future there will be even more one-ways sold in relation to binders and seed drills than have been sold in the past. So that the companies stand to gain by government policy even more in the future than they are able to gain at this time.

The parliamentary assistant assured the house that increased selling costs had gone down by 40 per cent. I would refer to the parliamentary committee report on farm implement prices. The committee found that on a long-time average, distribution expenses were 19·46 per cent of the value of net sales, and that net sales equal 75·85 per cent of the retail price. Therefore distribution expenses are approximately 15 per cent of the retail price. The parliamentary assistant has assured the house that the companies have saved 40 per cent of that, which means that they now save $6 out of every $100 that is spent on farm implements. On the basis of their savings, their net profit will be increased by $6 on each $100 of retail price, and they have been given an increased price which will net to them, on the basis of statistics and correct evidence, an additional amount of 1½ per cent more than their claimed increases in factory costs. The committee report further shows that factory costs were slightly less than 50 per cent of the retail price. So that on the basis of the squeeze treatment that the government gave implement companies on April 13 last they can look forward to making an additional profit on factory costs of 15 per cent more than they have ever made in the past.

Mr. BURTON: What a lovely squeeze!

Mr. ARGUE: I submit, in conclusion, that this house has not been given adequate proof that increased costs did occur, or, if they did occur, that they were justified; that the 12½ per cent retail price increase more than covers the claimed increased costs which the companies say have taken place; and on top of that, thrown in along with that, the 40 per cent savings which the companies have made will mean that they will now be able to make a much higher profit.

I suggest that the government would be following a sound and logical policy if they withdrew the 12½ per cent increase and if they made an adequate inquiry into the costs of producing farm implements in 1946. We know that large profits have been made by the implement companies in the past. The house has no assurance that these large profits have not been made in the last two or three years; more than that, we have substantial evidence to show that these profits have been maintained and, in some instances, increased; and I submit that, on all the statistical evidence and the authentic evidence which is available to members of parliament, we cannot arrive at any other conclusion than that the implement companies in the future and this year are going to be able to make far larger profits than they have ever made in the past.

I support the subamendment because these price increases certainly have been unjustifiable.

Mr. A. W. STUART (Charlotte): Mr. Speaker, I know I am speaking for a great majority of the people in the constituency I represent when I say that it would be disastrous to have price ceilings removed at the present time. It might be of benefit to the few, but generally, I feel, it would be responsible for making the rich richer and the poor poorer.

I personally am much more interested in having fair prices permanently placed on products of the farms and the sea than I am in having ceiling prices removed. There is an old saying that a burned child dreads the fire. I believe it would apply in this case, because many of us should remember that period during the first great war and the years following when millionaires were made overnight and less fortunate people with small incomes were unable to have more than the bare necessities of life.

As to price ceilings discouraging the production of needed food, I feel this has to a great extent been responsible for increasing production, because the primary producer

could plan with some guarantee of security, knowing he would not be obliged to sell his product below the cost of production.

This security would have been greatly appreciated in the constituency I represent prior to the war and, I am sure, will be in future years if sustained by this government. Production will never fall on account of price ceilings. The same cooperation as was exemplified during the war, under difficulties relative to the shortage of man-power, will, I am sure, continue and be further increased if these people are given a chance to produce. With world conditions as we find them to-day, these men that I speak of will not let us down. Production may fall during this year. If it does, it will not be owing to any lack of the energy or will to produce, but to matters beyond the control of the producer.

It is true that a small percentage of the farmers in Charlotte depend on farming alone for their livelihood. The great proportion depend to a great extent on the products of the forests, the pulpwood, lumber, firewood and boxwood which they usually cut in the winter time. Prices paid for these commodities during the war have been encouraging. If one compares prices being paid for these commodities to-day with those paid in 1940 he will find that they compare favourably with price increases in labour or manufactured products.

The argument in favour of this movement would seem to be relative to the agricultural industry. I realize the important part this industry plays in the general welfare of this country, and I feel it warrants great consideration, because it would affect every province and a great proportion of our population. Might I remark, this industry is well represented in this house, not only by an able minister; but, from my obesrvations since I have been here, I would say that three-fourths of the members of this house represent agricultural communities, and I would also say that three-fourths of the time of this house have been taken up in discussing matters pertaining to agriculture.

It would appear that too few people realize that there are other primary producers in Canada than farmers, and that their problems might be quite as important to them as to the problem now under discussion is to the farmers. I wish to make my position clear; I do not want to give the impression in any way that I consider the farming industry unimportant. It is one of our greatest industries, and certainly I regard it as such. In the past, prices of farm products have fluctuated greatly, but I should like to point out certain advantages which this industry has always had as compared with the products of the sea. The fisherman has an extremely perishable products, which must be sold immediately it is taken from the sea. It cannot be held indefinitely awaiting better market conditions. Therefore the producer is always at the mercy of the canner and exporter and must accept whatever they have to offer. That is why I am very much interested in floor prices. I feel that it would be a selfish attitude for any primary producer to take to ask for floor prices without also having ceiling prices. From past experience—and this is my own experience—I would say that the fishermen of the constituency I represent certainly would support floor prices.

During the war years the price of sardines was set by international agreement between canners in Canada and the state of Maine. This was necessary since a great part of the sardines caught in Charlotte county are exported to Maine in the fresh state. I feel that I am speaking for every sardine fisherman in Charlotte when I say that nothing would please them more or give them a greater feeling of security than to know definitely that the prices now set would be continued during the next five years or longer; and fishermen in other branches of the industry would be of the same opinion. Since prices during the past five years have been fair, their prosperity has been based solely upon their ability to produce.

The increase in the prices of farm implements has been debated and criticized by a great many hon. members. In most instances it was urged that the farmer should have an increase in the prices paid for his products or that the government should absorb the increase by way of subsidies. No doubt there would be some justification for this argument, and under certain conditions I feel that from time to time adjustments will be necessary. But might I point out that since the ceiling price on sardines was established materials used in the construction of sardine weirs—and I want hon. members to listen very carefully—have increased in price by 300 per cent. Unlike farm machinery, the greater part of this material has to be replaced each year, costing each sardine fisherman hundreds and, in some instances thousands of dollars annually.

Mr. BLACKMORE: Could the hon. gentleman give us two or three examples of such equipment?

Mr. STUART (Charlotte): I can. The material used in the construction of these weirs is wood. The sticks that are driven into the ground are anywhere from twenty to

sixty feet in length. In 1940 I could buy a fifty-foot stick for $3.50. In 1946 they are $12.50 each. That is just one case. Three hundred per cent is a fair, conservative estimate. I can show you plenty of fishermen with equipment in the water worth thousands of dollars.

Mr. BLACKMORE: What kind of equipment would that be? Remember this is all strange to us.

Mr. STUART (Charlotte): I realize that. This equipment would be wood and nets. To-day a man may have $5,000 worth of equipment in the water. To-night a bad storm may come up and he is swept off the map. Another great disadvantage is that it is utterly impossible to insure any part of that equipment. The fisherman has to put it in the water and take his chance. If he loses it he is licked. There is no insurance. The price of boats has gone up in the same proportion. A boat worth $500 in 1940 is worth $2,000 to-day, and that is no exaggeration.

Mr. BLACKMORE: Could the hon. member give the relative prices of the nets?

Mr. STUART (Charlotte): Government control has kept the price of nets practically where it was in 1940. I should say that in 75 per cent of the cases the materials used are supplied by the farmers of Charlotte county. That is one great benefit I know they are receiving to-day, because I am helping to pay it. I can assure hon. members that not one of these fishermen who are paying these increased costs has ever asked for a subsidy, and I can assure the house that as long as they can they will stand on their own feet.

Mr. BLACKMORE: Does the hon. member believe they can stand on their own feet, with such increased costs?

Mr. STUART (Charlotte): They are standing on their own feet and not asking for help. They will not ask for help as long as they can make a living, and they are ready to work for it. Another thing I might mention is that I have heard a great deal of talk in this house about the hours the farmer puts in and the way he works. I spent twenty-one years on the water, and I think in that time I did as much work as any farmer in the House of Commons. I feel that I have put in longer hours than any farmer in this house in order to make a living. In the winter time I have been twenty miles off shore, taking sardines on board a boat, and I should like to see some of the farmers in this house to-night in the same position, so that they would appreciate that the fisherman works for what he gets.

Mr. BLACKMORE: The hon. member does not suppose the farmers are antagonistic toward the fishermen?

Mr. STUART (Charlotte): No. The only thing I suggest is that 75 per cent of the time of this house is taken up in discussing the problems of the farmer.

Mr. BLACKMORE: We are interested in your problems, too.

Mr. STUART (Charlotte): I feel that this agitation for the removal of controls has a tendency to encourage manufacturers and others in Canada to hold materials off the market at the present time, in the hope that they may be materially benefited. I really believe that to be true. I have one solution to offer. I should like to see this government remove the duty from all materials that are in short supply, to permit them to come in from the United States duty free for a period of thirty, sixty or ninety days, or for an indefinite period. I believe that would clear out some of this material which might be in storage awaiting the removal of price control.

In conclusion, I should like to quote from an article which appeared in the Montreal *Daily Star* of May 11, 1946. Hon. members will realize that this is not a Liberal newspaper, but from my short experience here my impression is that many of the discussions which arise in this house are promoted entirely for political reasons. To support that view, I should like to read part of this article, which is headed, "Party politics in foreground." It states:

> The element of party politics seems consistently in evidence. It arises in connection with the agitation for the removal of price controls, with farm production very conspicuous just now and it is likewise displayed in the sustained attack upon the spy case procedure. Some methods followed at the time are admitted to have been unusual. The question is whether a distinction may properly be drawn between an ordinary criminal case and one in which the safety of the state is involved. In this instance, the whole case of the crown, it is urged, might have been frustrated had the alleged conspirators been allowed to get together personally, or through counsel.
>
> The political factor is also apparent in the dominion-provincial conference affair and the collaboration there of Mr. Drew and Mr. Duplessis. Prime Minister King has declined to be drawn out but what he did say on Thursday confirmed the forecast in the *Star* that the government's position will be revealed in the budget and not before. Quite likely, it will be delivered by the end of May.

Mr. J. M. MACDONNELL (Muskoka-Ontario): In the very few minutes that remain, I should like to make a few remarks on an aspect of price control. I do so especially because I wish to refer to some remarks made by the Minister of Finance (Mr. Ilsley) in this house in December last. I hope I realize the difficulties that face those who are dealing with price controls. I do not speak at all lightly of this subject. There are certain necessities, particularly things like rent, where I think price control has been justified and, so far as my opinion goes, is still justified. But it seems to me that what we entirely lack is any indication of principle, and, indeed, any indication of practice to give one an idea as to the directions in which the mind of the government is moving. I should like to read briefly some remarks made by the Minister of Finance on December 18 last, and then refer to him an instance which has come to my own attention quite recently. I do this in the hope that quite possibly it may be of some interest to him; and it might even lead to certain reconsiderations of what was done, not so much in this case, because it has been taken care of in another way, but a reconsideration of the principle which guided the department in this case. The remarks of the minister that I wish to read are based upon a question that I asked him in December last. I said, granted we need controls on necessaries, does that apply to luxuries and does that apply in particular to a thing like jewellery? Here is what the minister said, as reported at page 3738 of *Hansard*:

> I have discussed the matter with the officials and I have put the question to them: Why can you not take the price ceiling off jewellery and a long list of other things? We have gone into that question very fully, and it is extraordinarily difficult to do it unless you see the end of price control in sight, because you cannot pick out any class of things that do not enter in some form into the cost of other things. As I say, I have no time to enter into it in detail, but it is most difficult. The policy now is an over-all price ceiling, with an increasing tendency toward increases on certain articles.

Having referred to that, I wish to bring to the attention of the minister and of the house a small incident that came to my attention a week or two ago. I was communicated with by two friends of mine who were blacksmiths in Huntsville. They told me that they had applied for an increase in their schedule, and had been turned down. I got in touch with wartime prices and trade board and explained the difficulty to them. They were sympathetic, and I am bound to say that I used the expression that I thought controls on small things like this are fantastic. I could not really believe they entered importantly into the question of inflation. I thought the official to whom I talked was sympathetic to what I said. In fact, what he said to me was this; he asked me to let the matter stand for a week. From the way he talked I got the impression—and I think I was entitled to get it—that he hoped within a week the ceiling might be taken off. I called him up a week later, and he said to me that it had not been possible to take the ceiling off but that they were dealing with the matter in another way by giving it an increase of rate. They did give the increase of rate, and I think the particular problem of my friends is dealt with for the moment.

The reason I raise this point—and I am glad the minister is in the house to-night—is that I submit to him and to this house that surely we are getting doctrinaire views on patterns—I think that was the word the minister used; that it all fits into a pattern. Surely that does take us on extraordinary lengths into the matter of doctrinaire views. Here is a man shoeing horses in Huntsville. Incidentally, I believe the price that he asked was perfectly agreeable to the people who were asked to pay it. His present schedule was clamped down at a time when prices had been going on unchanged for many years. This price is clamped down on him, and his costs have gone up in the interval. He and his friends were perfectly agreeable to reaching an agreement among themselves, but they could not do that because of the pattern. That is my story. It is a simple thing, but I submit to the minister that at the present time what people are groping for is something in the way of a principle. It is hard for me to believe that any principle of orderly and common-sense release of controls is in practice when a small thing of that kind can take place and be given effect to. I was saying to the hon. member for Lake Centre (Mr. Diefenbaker) this evening that one of the few Latin tags I could still remember from my time as a law student was *de minimis non curat lex* which means, "the law does not concern itself with little things". I suggest that should also apply to the wartime prices and trade board.

Finally, I would say that if I am right in my attitude toward this particular case, and if I am right in assuming, as I did assume, that it is symptomatic of a great many others, then it seems to me that there is a great deal of room for ordinary common sense to be introduced into the subject of controls, difficult as I admit it to be.

On motion of Mr. Bryce the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. ILSLEY: I move that the house do now adjourn. With regard to to-morrow, this debate will be continued and, I devoutly hope, will be concluded. If it is, we should like to call at least three departments in committee of supply. The departments would be labour, post office and veterans affairs, and also having priority I should say over calling these departments even would be the matter of interim supply. We have run out of money and we need some more. I have to get interim supply to-morrow some way or another, or the carrying on of the public business will be seriously prejudiced.

Mr. BRACKEN: If I may comment on the minister's remarks I should like to say that there will be no objection from this party to putting more departments into supply, and we shall be glad to facilitate the voting of interim supply. I may say that the minister spoke to me about this a day ago. I complained, and I think with justice, that this particular motion had been held up for three weeks. I take some responsibility for suggesting to the minister that it ought to be dealt with. I said it was not fair to this section of the house to have the motion standing day after day and not dealt with. The minister has been good enough to bring on the debate. There will be no disposition on the part of this party to extend the debate at all, but I feel that it should be dealt with. Once it has been disposed of, we shall facilitate in every way the granting of interim supply. There may be some questions on detail. The minister has already had two months' interim supply and he now wants two months more. In addition to that, he wants something extra for some departments which require more funds in the earlier part of the year than in the latter part of the year. I should think that the house would be disposed to meet any reasonable request that the minister makes with respect to the granting of interim supply.

Mr. ILSLEY: I wish to thank the leader of the opposition for his offer of cooperation in the matter of interim supply.

With regard to the holding up of this debate, I felt that we were proceeding as fast as we could, with one exception, and that was the absence of myself from Ottawa for two days. That was unavoidable, and it brought about the chief delay in proceeding with the debate. I believe those days were Monday and Tuesday of last week.

Immediately upon my return we proceeded with the debate. However, be that as it may, we hope to conclude this debate to-morrow and get into supply. If we should finish interim supply, and get those three departments in, we shall be free to take up any other bills or resolutions on the order paper. But I doubt whether there will be much time for that, it being Wednesday.

Mr. BLACKMORE: It is not clear to me why there should be three departments brought in.

Mr. ILSLEY: Only five departments are in at the present time, and to facilitate the work of the house we thought we should have three more. There are twenty or more departments to come, and that will give ample opportunity for motions on going into supply to make known grievances. What I am suggesting is, I feel sure, in accordance with the practice of former years.

Motion agreed to and the house adjourned at 11.05 p.m.

Wednesday, May 22, 1946.

The house met at three o'clock

PRIVILEGE

REFERENCE TO REPORT IN MONTREAL "GAZETTE" OF MAY 21

Right Hon. L. S. ST. LAURENT (Minister of Justice): Mr. Speaker, may I crave your indulgence and the indulgence of the house for a moment to make a word of personal explanation with regard to a story concerning my personal plans which is being carried in many newspapers and which I am told was also the subject of comment last night over the radio. For instance, in the Montreal *Gazette* the story appears under this title:

> St. Laurent to retire soon from public life.
> Ottawa, May 21 (CP)—

I take that to mean the Canadian Press.

> Justice Minister St. Laurent said to-day in an interview he plans to retire from public life shortly and return to the law practice he left in Quebec in 1941 to take the justice department portfolio for the war period.

I must say that I gave no such interview to the Canadian Press. The night before last I did have a conversation with a newspaper man and there is a paragraph in this which I certainly did authorize. The last paragraph reads:

> He termed as "ridiculous" a newspaper report which said speculation among back-bench Liberals was to the effect that Prime Minister Mackenzie King would retire within a year, appoint Mr. St. Laurent to succeed him, and continue to sit as Liberal member for Glengarry until the next election, when he would retire.

I said that that was ridiculous and that I had no objection to being quoted as saying that. As to the preceding paragraphs about plans of mine to retire shortly from public life, I have given no interview about that, nor have I authorized the publication of any such statement. There are many newspaper men who have known ever since my first meeting with the press when I came to Ottawa as Minister of Justice in 1941 that I retained the hope of getting back at a convenient time to my law practice, but I have no definite plans that would warrant any announcement. I would not say anything about this except that the language used would appear to convey the impression that I had made a declaration about it for publication. Whenever these plans are sufficiently definite to warrant an announcement, that announcement probably will be made in a more formal manner than in the course of casual conversation with a friendly newspaper man.

PRESS REPORT OF MEETING WITH LABOUR DELEGATION

Hon. HUMPHREY MITCHELL (Minister of Labour): I should like to say a word about a meeting that I had yesterday with a labour delegation. The press said that this was a stormy meeting, but I think those who know me best know that I do not take part in stormy meetings.

Mr. COLDWELL: Not if you can help it.

Mr. MITCHELL: Not if I can help it. I will say that we had a very frank discussion, and I say that in a kindly way. I just wanted to observe that I do not think it adds to industrial relations in these difficult times to express an opinion of that kind. I have no objection to the man who wrote the news story, but it was not a stormy meeting.

LABOUR CONDITIONS

RECOMMENDATION OF 27TH SESSION OF GENERAL CONFERENCE OF INTERNATIONAL LABOUR ORGANIZATION

Hon. HUMPHREY MITCHELL (Minister of Labour): I desire to lay on the table copy of the authentic texts of the recommendation which was adopted at the twenty-seventh session of the general conference of the international labour organization held at Paris from October 15 to November 5, 1945, in accordance with the provisions of article 406 of the treaty of Versailles and corresponding provisions of other treaties of peace; also the text of P.C. 1889 of May 14, 1946, dealing with the competence of parliament with regard to the subject matter of this recommendation.

[Mr. St. Laurent.]

BUSINESS OF THE HOUSE

VICTORIA DAY

Right Hon. J. L. ILSLEY (Acting Prime Minister): I was asked the other day whether the house would sit on May 24, and I said that I expected it would. The cabinet has given consideration to this question and has decided that the house ought to sit on May 24. That is the usual practice. We have a long programme ahead of us, and we feel that we would not be justified in moving the adjournment of the house on Thursday night until the following Monday.

Mr. J. L. GIBSON (Comox-Alberni): Mr. Speaker, the applause which greeted the statement of the Acting Prime Minister that the house would sit on May 24 came mostly from the Ontario members, and to a lesser extent from Quebec members. We shall find very few of those members sitting here with us on the 24th. Once again it will be found that the maritime members and the members from the west will be carrying the white man's burden. I would ask that the decision be reconsidered, if possible, and I should like to have some supporters.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 128, for the relief of Edith May Hort Search.—Mr. Maybank.

Bill No. 129, for the relief of Alexander Thompson Powell Scott.—Mr. Maybank.

Bill No. 130, for the relief of Frances Eleanor Miller Foster.—Mr. Casselman.

Bill No. 131, for the relief of Mary Kathleen Maloney Rassie.—Mr. Maybank.

Bill No. 132, for the relief of Mildred Florence Rooke Cochrane.—Mr. Maybank.

Bill No. 133, for the relief of Eileene Ruby Aspell Stinson.—Mr. Maybank.

Bill No. 134, for the relief of Edna Bookalam Howick.—Mr. Casselman.

Bill No. 135, for the relief of Berthe Alice Cardinal Reid.—Mr. Maybank.

Bill No. 136, for the relief of Elizabeth Jean Warden Leupold.—Mr. Casselman.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

WAR ASSETS—FIRE TRUCKS

Mr. DIEFENBAKER:

1. Have any fire trucks been made available by War Assets Corporation for distribution to municipalities?
2. If so, how many and to whom?
3. If not, when will War Assets Corporation render any available?

Mr. McILRAITH:

1. Yes.
2. Thirty-six as per attached list.
3. Answered by No. 2.

Fire trucks made available to municipalities:

Purchaser	Quantity
Town of Brooks, Alberta	1
Town of Orotoks, Alberta	1
District of Surrey, British Columbia	4
Town of Estevan, Saskatchewan	1
Town of Wainwright, Alberta	1
Town of Dryden, Ontario	1
Town of Carman, Manitoba	1
Town of Nanton, Alberta	1
Town of Gladstone, Manitoba	1
Town of Melita, Manitoba	1
	13

Ten fire trucks are presently being offered for sale to the following municipalities:

Town of Sydney Mines, Nova Scotia	1
Town of Stettler, Alberta	1
City of Lachine, Quebec	1
Town of Larden Lake, Ontario	1
City of Victoria, British Columbia	1
City of Lachine, Quebec	1
Town of Coniston, Ontario	1
City of Rimouski, Quebec	1
Town of Chilliwack, British Columbia	1
Town of Dryden, Ontario	1
	10

Note: In addition to the above, the Saskatchewan Reconstruction Corporation, Regina, Saskatchewan, have bought 12 and the Department of Reconstruction and Supply, Prince Edward Island, have bought one.

WARTIME PRICES AND TRADE BOARD

Mr. ZAPLITNY:

1. What are the names and addresses of each of the members of the Wartime Prices and Trade Board?
2. What was the occupation of each of the above at the time of his or her appointment to the Board?
3. What salaries, allowances, or other forms of remuneration are paid to each of the above members of the board?

Mr. MAYHEW:

1. Chairman: Donald Gordon, Deputy Governor, Bank of Canada, Ottawa.
Members:

H. B. McKinnon, Chairman of the Tariff Board, Ottawa.

David Sim, Deputy Minister for Customs and Excise, Dept. of National Revenue, Ottawa.

F. A. McGregor, Commissioner of the Combines Investigation Act, Dept. of Justice, Ottawa.

A. M. Shaw, Director of Marketing Service, Dept. of Agriculture, Ottawa.

J. G. Bouchard, Assistant Deputy Minister of Agriculture, Ottawa.

W. A. Mackintosh, Director General of Economic Reconstruction, Dept. of Reconstruction and Supply, Ottawa.

A. MacNamara, Deputy Minister of Labour, Ottawa.

M. W. MacKenzie, Deputy Minister, Dept. of Trade and Commerce, Ottawa.

2. Donald Gordon, Deputy Governor of the Bank of Canada.

H. B. McKinnon, Commissioner of Tariff.

David Sim, Commissioner of Excise, Dept. of National Revenue.

F. A. McGregor, Commissioner of the Combines Investigation Act, Dept. of Labour.

A. M. Shaw, Director of Marketing Service, Dept. of Agriculture.

J. G. Bouchard, Assistant Deputy Minister of Agriculture.

W. A. Mackintosh, Special Assistant to the Deputy Minister of Finance.

A. MacNamara, Deputy Minister of Labour.

M. W. Mackenzie, Deputy Minister, Dept. of Trade and Commerce.

3. The chairman and the other board members serve the wartime prices and trade board without remuneration.

INCREASE IN PRICE OF FARM IMPLEMENTS

Mr. MENARY:

Is a manufacturer of farm implements permitted to claim the increase in price authorized on April 13, 1946, in cases where implements were ordered and deposits made thereon prior to the increase?

Mr. MAYHEW: May I suggest that this question be dropped? It cannot be answered by either yes or no. What the hon. gentleman is really seeking is a legal opinion, and it cannot be given to him here.

Mr. SPEAKER: Dropped.

Mr. GRAYDON: If I might be permitted a word, Mr. Speaker, an answer to this question has been declined because the parliamentary assistant to the Minister of Finance felt that it was asking for a legal opinion. With great deference I suggest that that is not so, and I think on reflection he will agree. Actually this is a question of the utmost urgency in agricultural sections right across Canada, I suppose there is no other question that those interested in agriculture are more eager to have fully answered, having regard to the price increase on agricultural implements announced by the Minister of Finance. If the parliamentary assistant will look at the question he will find more involved in it that a legal opinion. I

think that a clarification of the regulations should be put on *Hansard* so that the people may know exactly what the situation is. I would ask the parliamentary assistant to reconsider his answer.

Mr. MAYHEW: This question has been given a great deal of consideration. There are many complications in connection with it. There are a good many orders which might be considered contracts binding upon a company. It would be pretty difficult to answer the question in the way suggested, because we have no definite contract in front of us. A manufacturer might have a provision in his sales plan that the price quoted was applicable only on the date on which the order was placed. In other cases he might have actually entered into a contract. But to all intents and purposes the price goes into effect at the date the announcement was made.

Mr. GRAYDON: May I ask the parliamentary assistant to make as full a statement as he can at the next sitting, outside of any question of giving a legal opinion?

Mr. MAYHEW: I shall be glad to give the matter consideration, to see if anything further can be said.

[*Later*]

Mr. MAYHEW: The hon. member for Peel (Mr. Graydon) asked if the answer could not be reconsidered, and I said that it could, and that I would reconsider it. However, it did not appear on the order paper yesterday, nor is it on to-day, but I should like the privilege of making a little amendment to the reply I gave because of the fact that the hon. member for Wellington North (Mr. Menary) brought it up in the debate last night and asked the Minister of Finance a question. The revised answer is:

The upward revision in the maximum prices of farm machinery, made effective April 13 by the board, constitutes provision for appropriate increases in prices, but does not make such increases mandatory.

In any case where a buyer and seller had a firm contract as of April 13 for future delivery of farm machinery at prices lower than the new maximum price, the buyer has the ordinary protection of law against any variation in the contract price, although if both buyer and seller agree, the price might be adjusted within the limits of the revised maximum price.

BRIDGE OVER BOW RIVER AT CALGARY

Mr. JOHNSTON:

1. Has the government let the contract for a new bridge over the Bow river at Calgary, to replace the Cushing bridge?
2. If so, what is the amount of the contract?
3. What will be the location?
4. When will construction start?

[Mr. Graydon.]

Mr. FOURNIER (Hull):

1. No.
2, 3 and 4. Answered by No. 1.

UNEMPLOYMENT INSURANCE—NOVA SCOTIA

Mr. BLACK (Cumberland):

1. How many persons drew unemployment insurance benefits in Nova Scotia during (a) the month of October, 1945; (b) the month of April, 1946, stating the number for each district?
2. What was the total amount disbursed in Nova Scotia during (a) the month of October, 1945; (b) the month of April, 1946, stating amount for each district?
3. What was the total disbursements for the six months period ending April 30, 1946?
4. How many persons in Nova Scotia have drawn their full benefits under their initial claims?

Mr. MITCHELL:

1. (a) October, 1945, 2,203; (b) April, 1946, 7,079.

Note.—No information is available as to district.

2. (a) October, 1945, $88,418; (b) April, 1946, $311,410.36.

Note.—No information is available as to district.

3. $1,362,778.36.

4. 43 in 1942; 102 in 1943; 488 in 1944; 972 in 1945; 129 in January, 1946; 160 in February, 1946.

Note.—It is quite possible that many of these claimants who exhausted their benefit rights for the first year have subsequently set up another benefit year.

BARRINGTON PASSAGE—CAPE SABLE ISLAND COMMUNICATIONS

Mr. BLACK (Cumberland):

1. Have surveys and estimates been made by the federal government of the cost of building a causeway, bridge or wharves for the use of ferry to cross Barrington Passage to Cape Sable island, Nova Scotia?
2. If so (a) on what dates; (b) what estimates; (c) what expenditures have been made to date?
3. Did the provincial government of Nova Scotia request the federal government to make such surveys and construct such works or contribute to the cost of same?
4. If so, what undertakings have been given?

Mr. FOURNIER (Hull):

1. No.
2. Answered by No. 1.
3. No.
4. Answered by No. 3.

SUBSIDIES

Mr. BLACK (Yukon):

1. Since Canada declared war on Germany in the last great war what articles and goods have been subsidized by the government of Canada?

2. What is the amount of subsidy paid on each of such articles?

3. What is the total amount paid by the government as such subsidies?

4. What articles are now subsidized?

5. On what articles have subsidies been discontinued and when?

Mr. MARTIN: I would point out to the hon. gentleman and to the house that during the present session two orders have been passed by the house relating to subsidies. One was moved by the hon. member for Peterborough West (Mr. Fraser) on April 13, as follows:

1. What subsidies were paid by the government during the year 1945?

2. What subsidies have been paid since January 1, 1946?

The reply to these questions was tabled on May 2 of this year. Another question was asked on May 20 last, by the hon. member for Beauharnois-Laprairie (Mr. Raymond), reading:

What subsidies were paid by the government during the years 1939 to 1944, inclusive?

The return has not yet been tabled, but will be shortly, and as it will cover the information asked for in this question I ask that the question be dropped.

Question dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WAR ASSETS—AEROPLANES

Mr. CASTLEDEN:

1. To what corporations, firms, provincial governments, or individuals, have serviceable aeroplanes been sold by War Assets Corporation to date?

2. What firms, corporations or individuals have been used by War Assets as recognized dealers in the sale of serviceable aircraft?

3. What type of aircraft and how many have been sold to each of these firms as of April 1, 1946?

4. What was the price of each type of aircraft so sold?

Mr. McILRAITH: Return tabled.

PARK STEAMSHIP VESSELS

Mr. MacINNIS:

1. How many of Park Steamship vessels have been sold by the government from April 1, 1945, to date?

2. Who were the purchasers in each case?

3. Was any provision in the agreements of sale to the effect that the vessels sold must be operated by Canadian officers and crews?

Mr. McILRAITH: Return tabled.

SALE OF RADIO LICENCES IN NORTH VANCOUVER

Mr. SINCLAIR (Vancouver North):

What are (a) the names; (b) the residences; (c) the military service of each of the men now selling radio licences in a house-to-house canvass in the city and district of North Vancouver?

WARTIME PRICES AND TRADE BOARD—PUBLICATIONS AND ADVERTISING

Mr. FRASER:

1. What publications and advertising has the Wartime Prices and Trade Board used during 1945 and 1946?

2. What is the cost of each of these publications for 1945 and 1946?

3. What was the cost of other advertising during 1945 and 1946?

WAR ASSETS—CARBERRY AND BRANDON AIRPORTS

Mr. MATTHEWS (Brandon):

1. How many trucks and tractors are being used in connection with the airport at Carberry, Manitoba and at No. 2 A.C.U., Brandon?

2. Are there any trucks and tractors at each of these places not being used?

3. If so, how many and of what size, in each place?

4. Under whose direction or disposal are such unused trucks and tractors at the present time?

5. Have they been declared surplus to war assets?

6. If not, when will they be so declared?

7. If so, what steps are being taken to put these trucks and tractors in circulation?

HALEY'S CORNERS, ONT., MAGNESIUM PLANT

Mr. CASTLEDEN:

For a copy of all contracts, agreements, or other arrangements made between the Department of Munitions and Supply and the Dominion Magnesium Limited or other companies or individuals regarding the construction and operation of the magnesium plant at Haley's Corners, Ontario.

MOTIONS FOR PAPERS

ADMINISTRATION OF CANADIAN ARMY IN HOLLAND

Mr. COCKERAM:

For a copy of the report of the court of inquiry held by Lieutenant-General Price Montague, C.B., D.S.O., M.C., into the administration of the Canadian army in Holland.

Mr. LAPOINTE: Mr. Speaker, on behalf of the Minister of National Defence (Mr. Abbott) I wish to oppose this motion on the ground that it is not in the public interest to produce such reports, and also that the report is privileged and therefore should not be produced. The hon. member on the 4th of April asked the minister when the report would be produced in the house, and he was then informed that it was not customary to produce such reports in the house and that this practice would be followed. This rule has been followed previously as regards docu-

ments pertaining to military courts. The stand taken was that it was not in the public interest to produce such documentation because it would seriously hamper the administration of justice in the armed services if officers who in the course of duty are called upon to serve on these courts martial or to prepare such reports are made to feel that their actions or their statements may be debated in the House of Commons or be the subject of some controversy in this house. I submit, Mr. Speaker, that even more serious considerations exist as regards courts of inquiry. My hon. friend knows very well that courts of inquiry in the armed forces are an ordinary matter of administration, taking place every day; they are convened at the demand of the minister or of a commanding officer to inform this officer on any matter affecting the ordinary course of internal administration in the army or in the other services. As a matter of fact, the rules of procedure provided for under the Army Act state that such courts of inquiry and such reports are not admissible in evidence in courts martial which may follow; and I think it is very clear—

Mr. SPEAKER: Order. This motion is not debatable. It is the privilege of the hon. member to give a reason for not accepting the motion—

Mr. ABBOTT: That is what he is doing.

Mr. SPEAKER: —but he should not make a speech.

Mr. LAPOINTE: That is what I was trying to do. However, if the house feels that the reasons are sufficient I will just ask that the motion be dropped.

Mr. SPEAKER: Dropped.

Some hon. MEMBERS: No.

Mr. COCKERAM: I had a very definite object in asking for the production of the results of this court of inquiry. K.R. & O. states that courts of inquiry may be either closed or open.

Mr. SPEAKER: Order. I have already ruled that motions of this kind are not debatable. If the hon. member does not want to withdraw his motion, there is only one thing to do, and it is to put the question to the house.

Mr. COCKERAM: Mr. Speaker, the reason I bring this up is that there was a court martial in Amsterdam a few days ago, and this inquiry or the subject of this inquiry was brought up at that court martial—

Some hon. MEMBERS: Order.

[Mr. Lapointe.]

Mr. COCKERAM: —with the result, Mr. Speaker, that the prosecuting officer at that court martial—

Mr. SPEAKER: Order.

Mr. COCKERAM: —said that he would rejoice to see the accused acquitted.

Mr. SPEAKER: I am sorry to have to interrupt the hon. gentleman again, but I have no alternative. If the hon. member does not consent to have the motion withdrawn, I have only one thing to do, and that is to put the question to the house. Dropped?

Some hon. MEMBERS: No.

Mr. FERGUSON: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: This question is not debatable. I would ask the hon. member to resume his seat.

Mr. COCKERAM: Mr. Speaker, I am not satisfied. I want either a vote or something else on it.

Mr. COLDWELL: Put the motion.

Mr. COCKERAM: Mr. Speaker, you have not put the motion. You have not done anything. You are trying to shut me out.

Mr. COLDWELL: You must put the motion.

And five members having risen:

Mr. SPEAKER: The hon. member for York South should know that the Speaker, realizing that he is the voice of the House of Commons, is as much interested as anybody else in protecting the authority of the Chair.

Mr. COCKERAM: Put the motion.

Mr. SPEAKER: The hon. member knows perfectly well that it is the privilege of hon. members, if five of them rise, to have a vote taken on a motion that is before the house. When I sat down I did not see five members rise. Now that I see five members I will put the question to the house.

Mr. COLDWELL: May I respectfully suggest, Mr. Speaker, that I do not think you put the motion; you merely said, "dropped". I think you omitted to put the motion, and that is the trouble.

Mr. SPEAKER: I am sorry, but I first read the motion before the house: Moved by Mr. Cockeram, seconded by Mr. Boucher, that an order of the house do issue as set forth in No. 4 on the order paper. I asked if it was the pleasure of the house to adopt the motion,

and then the parliamentary assistant rose and gave some explanation. But I should like to insist upon one point, which I discussed a few moments ago. I believe that the Speaker is doing everything possible to be fair to both sides of the house, and to indicate plainly that he is not acting for a party—for any party—or for any side of this house; he is the voice of the House of Commons. I cannot stand and I will not stand any such reflection as was made a few minutes ago.

Mr. BLACK (Yukon): I do not think anyone in the house, Mr. Speaker, questions your fairness. But the fact that the parliamentary assistant made some explanation relating to this motion does not mean that the motion must be dropped, and if the hon. member moving the motion wishes it put to the house, surely it is the duty of the Speaker to put it to the house.

Mr. SPEAKER: The parliamentary assistant said in his statement that he could not comply with the motion, in that he could not produce the report. If the hon. member wants to withdraw his motion, it is his privilege to do so. If he does not want to withdraw it, the rule is quite clear that motions of this kind are not debatable. If there is not unanimous consent of the house to the motion being dropped, the Speaker has only one thing to do, and that is to put the question to the house.

Mr. ILSLEY: "Yeas" and "nays".

Mr. SPEAKER: And it will be up to the house to decide. So I will put the motion: Moved by Mr. Cockeram, seconded by Mr. Boucher: That an order of the house do issue for copy of report of the court of inquiry held by Lieutenant-General Price Montague, C.B., D.S.O., M.C., into the administration of the Canadian army in Holland.

The house divided on the motion (Mr. Cockeram) which was negatived on the following division:

YEAS

Messrs:

Archibald
Argue
Aylesworth
Barrett
Bentley
Blackmore
Blair
Boucher
Bowerman
Bradshaw
Bryce
Burton
Campbell
Cardiff
Case
Castleden
Charlton
Cockeram
Coldwell
Coyle
Daniel
Desmond
Drope
Fair
Fleming
Fraser
Fulton
Gibson (Comox-Alberni)
Gillis
Graydon
Green
Hackett
Harkness
Hatfield
Henderson
Hodgson
Homuth
Irvine
Jackman
Jaenicke
Jaques
Johnston
Kidd
Knight
Kuhl
Lennard
Lockhart
Low
McCuaig
McCullough (Assiniboia)
McGregor
MacInnis
McKay
McLure
McMaster
MacNicol
Marshall
Menary
Moore
Murphy
Nicholson
Probe
Robinson (Bruce)
Shaw
Skey
Smith (Calgary West)
Stephenson
Stewart (Winnipeg North)
Stirling
Strum, Mrs.
Thatcher
Townley-Smith
Tustin
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Wylie
Zaplitny—79.

NAYS

Messrs:

Abbott
Arsenault
Baker
Beaudoin
Belzile
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Bourget
Bradette
Brown
Brunelle
Clark
Claxton
Cloutier
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Croll
Cruickshank
Dechene
Denis
Dion (Lake St. John-Roberval)
Douglas
Dubois
Emmerson
Eudes
Farquhar
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gariépy
Gauthier (Nipissing)
Gibson (Hamilton West)
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Hallé
Harris (Grey-Bruce)
Healy
Ilsley
Jean
Jutras
LaCroix
Lafontaine
Lapalme
Lapointe
Laurendeau
Lesage
Little
McCann
McCubbin
McCulloch (Pictou)
McDonald (Parry Sound)
McGarry
McIlraith
McIvor
Mackenzie
MacKinnon
MacLean
MacNaught
Maloney
Marier
Marquis
Martin
Matthews (Brandon)
Maybank
Mayhew
Mitchell
Mullins
Mutch
Nixon
Picard
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)

Robinson (Simcoe East)	Smith (York North)
Ross (Hamilton East)	Stuart (Charlotte)
St. Laurent	Tremblay
Sinclair (Ontario)	Tucker
Sinclair (Vancouver North)	Weir
	Whitman
	Winkler
	Winters—95.

(*In the course of the division*):

Mr. BRACKEN: Mr. Speaker, may I point out that I inadvertently voted. I am paired with the Prime Minister (Mr. Mackenzie King), and I would like, if I may, to withdraw the vote.

Mr. COLDWELL: Is that permissible? I remember on one occasion another member of the house did the same thing and he was not allowed to withdraw his vote.

Mr. MACKENZIE: It is quite permissible as long as the declaration was made before the vote was recorded, which was done in this case.

Mr. COLDWELL: It was not allowed in the case I am thinking of.

Mr. BRACKEN: If it is not permissible I will explain it to the house and the house and the country will understand. That is the main point.

(*After division*):

PAIRS

(The list of pairs is furnished by the chief whips.)

Messieurs:

King, Mackenzie	Bracken
Chevrier	Casselman
Gardiner	Ross (Souris)
Parent	Rowe
Pouliot	Ashby
Sinnott	Herridge
Gingues	Pearkes
Kirk	Hazen
Viau	Merritt

Mr. MACDONALD (Brantford City): I was paired with the hon. member for London (Mr. Manross). Had I voted, I would have voted against the motion.

Mr. BREITHAUPT: I was paired with the hon. member for Danforth (Mr. Harris). Had I voted, I would have voted against the motion.

Mr. ISNOR: I was paired with the hon. member for Colchester-Hants (Mr. Stanfield). Had I voted, I would have voted against the motion.

Mr. LEGER: I was paired with the hon. member for Haldimand (Mr. Senn). Had I voted, I would have voted against the motion.

[Mr. Speaker.]

Mr. RINFRET: I was paired with the hon. member for Muskoka-Ontario (Mr. Macdonnell). Had I voted, I would have voted against the motion.

Mr. BLACK (Yukon): I was paired with the hon. member for Port Arthur (Mr. Howe). Had I voted, I would have voted for the motion.

Mr. ADAMSON: I was paired with the hon. member for St. James (Mr. Beaudry). Had I voted, I would have voted for the motion.

Mr. FERGUSON: I was paired with the hon. member for Restigouche-Madawaska (Mr. Michaud). Had I voted, I would have voted for the motion.

Mr. ROSS (St. Paul's): I was paired with the hon. member for York-Sunbury (Mr. Bridges). Had I voted, I would have voted for the motion.

Mr. HLYNKA: I was paired with the hon. member for Kenora-Rainy River (Mr. Benidickson). Had I voted, I would have voted for the motion.

Mr. HEON (Translation): Mr. Speaker, I wish to speak in French. I was paired with the hon. member for Portneuf (Mr. Gauthier). Had I voted, I would have voted for the motion.

Mr. BLACK (Cumberland): I was paired with the junior member for Halifax (Mr. Macdonald). Had I voted, I would have voted for the motion.

Mr. DIEFENBAKER: I was paired with the hon. member for Winnipeg South Centre (Mr. Maybank). Had I voted, I would have voted for the motion.

Mr. BROOKS: I was paired with the hon. member for Labelle (Mr. Lalonde). Had I voted, I would have voted for the motion.

Mr. GAGNON: I was paired with the hon. member for Beauce (Mr. Dionne). Had I voted, I would have voted for the motion.

Mr. STOKES: I was paired with the hon. member for Chambly-Rouville (Mr. Pinard). Had I voted, I would have voted for the motion.

Mr. LACOMBE: I was paired with the hon. member for Terrebonne (Mr. Bertrand). Had I voted, I would have voted for the motion.

Mr. COLDWELL: Mr. Speaker, I feel that there is a matter which should be the subject

of your ruling. I want to draw your attention to standing order 9, citation 84, which reads as follows:

The Speaker, when his attention has been called to a breach of order in the course of a division has directed that the division should proceed, and has dealt with the matter when the division was completed.

I bring this to the attention of the house not to reflect upon the leader of the opposition (Mr. Bracken) because I think anyone inadvertently might do the same thing, but rather to get a clear understanding of what is the rule of the house. The life of a government—I shall not say this government—may depend on a single vote, as it once did in this house when an hon. member voted when he was paired. I would also draw Your Honour's attention to citation 72, which reads as follows:

If a member who has heard the question put should vote inadvertently, contrary to his intention, he cannot be allowed to correct the mistake, but his vote must remain as first recorded.

That has been my understanding of the rule. It was recorded when the name was called.

Mr. JACKMAN: It was not recorded—just the intention.

Mr. MACKENZIE: On the point of order, may I say that the whole question depends on the interpretation of citation 72 just recited by the hon. member. I may be in error, but my recollection is that the vote was called by the Clerk Assistant but not recorded by the Clerk. If the vote was recorded by the Clerk, then the point raised by the hon. member is well taken, but I am not sure as a matter of actual fact whether it was recorded or not.

Mr. COLDWELL: The Clerk can tell us whether it was recorded.

Mr. SPEAKER: I shall consider the question raised by the hon. gentleman and I shall try to give a clear ruling to the house to-morrow.

Mr. HOMUTH: It is not important; it is a waste of time.

Mr. MACKENZIE: That is what the whole division was.

Mr. COCKERAM: Mr. Speaker, referring to my comment before the vote was taken, I should like to say I regret the incident; after the Secretary of State had spoken you said, "Dropped", and you did not put the motion. That is why I took the action I did.

HOUSING

NOTICE OF EVICTION ON MAY 31 FROM LONDON BLOCK SASKATOON

On the orders of the day:

Mr. R. R. KNIGHT (Saskatoon City): I should like to direct a question, of which I have given notice, to the Minister of Public Works; and the Minister of Veterans Affairs is also interested. Will either minister make a statement which will remove once and for all from the minds of the tenants of the London block in Saskatoon any fear of eviction?

Hon. IAN A MACKENZIE (Minister of Veterans Affairs): I can assure my hon. friend that every phase of the situation is being carefully explored and considered by the officers of both departments, who are at present on the ground in Saskatoon.

Mr. COLDWELL: June 1 is coming very close.

Mr. KNIGHT: This is a matter of urgency, because the evictions are to take place on May 31.

RADIO BROADCASTING

APPLICATION OF C.B.C. FOR WAVE LENGTHS OF CFRB AND CFCN

On the orders of the day:

Mr. A. L. SMITH (Calgary West): I should like to direct a question to the Minister of Reconstruction and Supply, but since he is not here perhaps his parliamentary assistant will deal with it. I want to know whether or not the Canadian Broadcasting Corporation has applied to the Department of Reconstruction and Supply for the wave length now used by station CFRB in Toronto, and whether or not a similar application has been made for the wave length of CFCN in Calgary.

An hon. MEMBER: Put it on the order paper.

Mr. SMITH (Calgary West): I have had it on the order paper for three days now.

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): If the hon. member will permit his question to stand as a notice, I will have the information brought forward.

Mr. COLDWELL: May I also ask the parliamentary assistant to tell us whether these licences are annual or permanent?

Some hon. MEMBERS: Annual.

Mr. GRAYDON: How would the minister know? He did not know anything about it yesterday.

BUSINESS OF THE HOUSE

INTERIM SUPPLY—SUSPENSION OF STANDING ORDER

On the orders of the day:

Right Hon. J. L. ILSLEY (Acting Prime Minister): Before the first order is called I should like to suggest, in view of the importance of interim supply, that we take up interim supply now and then go on with the debate on the motion to go into supply. I am afraid that debate will not end this afternoon, having in mind what I am told about the number of speakers, and that is the only reason I am suggesting this procedure. It would just mean that by consent of the house interim supply would be granted, and then we would resume the debate just where we left off. We would not try to get in any other departments; we could not do that.

Mr. JOHN BRACKEN (Leader of the Opposition): With all respect I suggest to the Acting Prime Minister that he ask the house to continue with this debate to-day and to-morrow, and conclude it; then we will offer all cooperation in passing interim supply. I do not want to go into the reasons why a day or two ago I asked the right hon. gentleman to proceed with this debate; I do not want to get into that discussion, but I am prepared to continue this debate this afternoon and to-morrow, and to conclude it. Then we will offer our full cooperation in getting whatever is necessary in the way of interim supply. With all respect I suggest that we should finish this debate now, a debate which began nearly two and a half weeks ago but which the house was not permitted to continue until just the day before yesterday.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): With respect may I point out that we cannot possibly have a debate on a motion to go into committee of supply on Thursday, except by suspending the standing order in relation thereto, because on Thursday the Speaker leaves the chair without the question being put.

Mr. BRACKEN: We are prepared to do that.

Mr. M. J. COLDWELL (Rosetown-Biggar): I find it very difficult to see how we could accede to the request of the Minister of Finance. I would be prepared to adopt the suggestion of the leader of the opposition, that the debate go on. I do not know whether we can suspend the standing order. I suppose we could do so by unanimous consent, and as far as I am concerned I would be prepared to give that consent so that it might be done to-morrow.

Mr. ILSLEY: I could get along all right on that arrangement; in fact if the debate cannot be concluded to-day I would prefer to have it proceed and concluded to-morrow, but I will have to see what can be done in the way of suspending the standing order. I will have to have that looked into between now and six o'clock. If we can have unanimous consent for the suspension of the standing order to-morrow in order that we may proceed with interim supply—

Mr. BRACKEN: I gave the consent of this party, and the leader of the C.C.F. party has already given consent on behalf of his party.

Mr. SOLON E. LOW (Peace River): We shall do everything we can to facilitate this matter being brought forward to-morrow. Perhaps at that time we may have something to say about the discourtesy that has been shown in the matter of asking for interim supply.

Mr. ILSLEY: Well, I apologize for that. In previous years it has been my practice to call up the leaders of all parties on the telephone. I did not do that this time, but last evening I spoke about it publicly in the house, so as to give full notice, and I did speak to the leader of the opposition. He has a special status; he is the leader of the official opposition, and I did speak to him. Then I mentioned the matter publicly in the house, so if any leader of any other party or any other hon. member had any objection, that was the proper time to raise it. I am sorry if the hon. gentleman feels there was any discourtesy. Certainly I did not have any intention of proceeding without notice, or without giving every opportunity for exception to be taken in the house.

Mr. COLDWELL: I was in the house last night at eleven o'clock, though I was away on Monday. I thought possibly one of my colleagues had been spoken to.

Mr. ILSLEY: No.

Mr. COLDWELL: Then I feel as the leader of the Social Credit party feels. I believe when something of this sort is to be done by consent, all parties should know something about it. The leader of the opposition represents the largest opposition group in the house, but there are other parties here who are not connected with the official opposition.

Mr. BRACKEN: It is not often that I come to the defence of the Acting Prime Minister, but I want to do so on this

occasion. He spoke to me about this matter, and I am sure he would have spoken to the other leaders on that occasion, but I objected to his proceeding with interim supply while this motion was on the order paper, where it had been for two and a half weeks. I think perhaps that is why the matter of speaking to the other leaders slipped his mind. That is all I want to say out of consideration for the minister.

SUPPLY

PRICE CEILING POLICIES WITH RESPECT TO FARM PRODUCTS

The house resumed from Tuesday, May 21, consideration of the motion of Mr. Mackenzie that the house go into committee of supply, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mrs. Strum.

Mr. WILLIAM BRYCE (Selkirk): Mr. Speaker, I come from a constituency which contains all classes of people. It has the white collar class, which has had fixed wages plus a cost of living bonus during the war; industrial workers employed in the great railway shops adjacent to Winnipeg; the mill workers in Selkirk; the fishermen on the lakes, and also the farmers. During the war all these people have been subject to prices fixed and controlled and maintained by the government. The advances in prices of farm machinery and steel have caused this debate. I have listened patiently to all parties in the house offer their arguments, and the very thought of ceilings being broken and the spiral of inflation starting causes me a great deal of concern. I saw inflation at work when I came here as an immigrant in 1919. I became a farmer in 1920 when everything was high, and about eighteen months afterwards, cattle I had purchased for $140 and $150 were worth only $25 or $30. Surely everyone of my age must know that the same thing will happen again if we allow our price ceilings and floors to disappear.

I come now to the implement companies. The parliamentary assistant to the Minister of Finance has defended them and has told the house that they needed this advance. Personally I cannot see that they do. I notice from the papers of April, 1938, that the shares of Cockshutt Plow were quoted at 7 while the shares of Massey Harris were quoted at 5¼. I shall not give the quotations for the shares of other companies, as I think these two are sufficient for my purpose. By April 2 of this year the shares of Cockshutt Plow had advanced to 16¾ while those of Massey Harris had come up to 17¼. According to to-day's paper there was a further increase, Cockshutt shares being quoted at 17¼ and Massey Harris at 18½.

I admit that I know more about live stock than this sort of stock, but it seems to me that these companies must be in a sound financial position when there is this improvement in the value of their shares on the stock market. These increases show that there must be an expectancy of greater profits in the future. I cannot go into details with the Minister of Finance in the same way as those who are trained in finance, but here is the way I look at it: No one would be buying these shares unless he thought there were to be greater profits than before. I cannot forget the report made in 1937 by a committee of this house. It contained thirty-six recommendations, but I shall refer only to three which appear on page 500. They are as follows:

> 28. That the profit to the farm implement companies on the sale of replacement parts is excessive, and the price of these to the consumer should be materially reduced.
>
> 29. That the increases announced by the companies in January, 1936, were not justified by an increase in manufacturing or distribution costs or by the financial results of the companies in so far as these were affected by the price level of farm implements.
>
> 30. That over the period 1891-1936 retail prices of farm implements have been maintained at too high a level as shown by the financial returns to the companies engaged in the industry during that period.

I wonder if those things were taken into account when the machinery companies made their representations to the wartime prices and trade board. I have the gravest doubts about the increase that has been granted in the prices of farm machinery. The companies' case should have been made public, so that farmers, not only in the constituency of Selkirk but throughout the whole of Canada, could have read for themselves why it was thought that this price increase was justified.

When the leader of the Conservative party was the leader of the Liberal-Progressives in Manitoba he used to advance an argument with which I agreed. He maintained that as agriculturists made up one-third of the population they were entitled to one-third of the nation's income. I hope the leader of the opposition still holds that view.

Mr. ROSS (Souris): He still maintains the same argument.

Mr. BRYCE: I am glad to hear that. I would point out to him that the only time agriculture ever came near to getting one-third of the national income was at the end of the last war, and since we have had the stabilization of floor and ceiling prices.

Mr. ROSS (Souris): They never received it in the history of the country.

Mr. BRYCE: I said that the only time they had come near to getting it was at the end of the last war, when I came here from Scotland, and during this war. The other day the hon. member for Halton (Mr. Cleaver) placed some figures on *Hansard* to show that we were a long way from getting one-third of the national income. Certain hon. members who sit behind the leader of the opposition have advanced the argument that price ceilings should be abandoned, that the lid should be taken off, that we should let things go. Surely no hon. member who has the support of a farming community can be in his senses when he makes that request.

The farmer has always been the victim of prices. When he has anything to sell, he must go to the packing house or some other organization and say, "How much will you give me for this?" When he wants to buy anything, he must go and say, "How much do you want for this?" He has had to buy in a controlled market and sell in a controlled market. The worker is in the same position. He must sell his labour in a controlled market, and he must buy the necessities of life in the same type of market. Perhaps when the worker and the farmer and the fisherman become better organized—labour is organized only about twenty per cent; the farmer about the same and the fisherman much less—they will be able to combat big business, the manufacturers and the packing-houses which are all organized one hundred per cent. Even our lawyers and doctors are organized one hundred per cent.

The farmer does not want to hold up the consumer for unreasonable prices, but he must have his costs of production. Producing food for the nation must give a return to the farmer which will provide him with a standard of living equal to that enjoyed by other people. Guaranteed prices must be maintained over a period of years so that the farmer can look ahead and plan his production accordingly. The worker should have a guaranteed wage so that he will be able to budget and plan for the future.

I should like to deal for a moment with the cattle situation. A great deal has been said in recent weeks about the shortage in the supply of cattle. Personally I do not think it has been so much a shortage of cattle. The shortage of supplies can be immediately traced back to the order of the wartime prices and trade board about two years ago fixing the price for cattle for the whole year round; that is, one price irrespective of when you marketed your cattle. In the cattle business you have to look fairly well ahead and arrange your business so when the order of the wartime prices and trade board was issued the farmers took some time to reorganize their plans.

This spring has shown a lack of supplies for the simple reason that it does not pay the farmer to feed cattle in the winter time.

One hon. member to my left said a few days ago that there was really no difference between grass-fed and stall-fed cattle. I cannot agree with his view, and in support of what I think is right, I submit that the packer in Canada has always been prepared to pay two cents more for stall-fed cattle. Surely every hon. member in this house, whether he has an agricultural background or not, must realize that the feeding of cattle in this country in the winter entails a great deal of work. Even if you do not take into consideration the feeding of grain, and you only put the hay in front of the cattle and take it away from behind them, that entails a certain amount of labour that the man who markets grass-fed cattle does not have to do.

In discussing this wartime prices and trade board ruling on previous occasions with the Minister of Agriculture (Mr. Gardiner), he has assured me that some farmers asked that the price be the same the year round. Of course I agree with him this far. If I were a rancher I would think that the Minister of Agriculture was a fine fellow, or if I were a farmer in Ontario with a few grass farms and I could buy cattle in the spring and put them on that grass, I would think the minister was a fine fellow too. But I am thinking of the man who puts in steers in the fall and feeds them through until the spring. He certainly deserves a greater return for his labour.

Coming back to the man who has been in the habit of feeding steers through the winter, there is no incentive whatever for the extra feed or the extra labour involved, and this might I point out to the Minister of Finance (Mr. Ilsley), in the absence of the Minister of Agriculture, is one policy of the wartime prices and trade board previously made was steady supply of meat every month of the year. The arrangement which the wartime prices and trade board that is hindering a in my estimation on a much fairer basis, because the farmer was encouraged to feed cattle during the winter and market them during the spring months when our shortest supply comes, but under the present policy he can market his cattle any time and they must still sell at one and the same price.

Now that we are beginning to reap the fruits of the present policy of the wartime prices and trade board in this regard we can expect a flooded market this fall, when the packers will not be able to absorb the heavy run and will bid a lower price. The packer will sit back and dominate the situation and instead of the farmer getting 12 cents for his steer, as he is entitled to according to the wartime prices and trade board, he will no doubt have to take 10½ or 11 cents.

Of course I know that the minister is going to tell me that the meat board will come on the market and buy up these cattle and have them processed so that the farmer will not have to take a loss. But might I remind the minister that the packing companies cannot process what they have now; so where is the government going to have them processed?

This brings me back to a previous argument I made in the house, which is that the only ceiling or floor on cattle to-day is after they are hung up by the heels in the packing plant. The live animal is never taken into consideration; there is neither a ceiling nor a floor to protect the farmer when he sells his animals on the hoof. It is only after they are dead that the ceilings begin to apply.

The Minister of Agriculture told us last week that the subsidy to the consumer of milk is to be removed. This just throws the problem right back into the lap of the provincial milk boards. The removal of the subsidy and the resulting increase in the cost of milk to the consumer can result in either of two things—an increase in the cost of living index, or a lowering of the consumption of milk. Milk is the most necessary item in our diet. Research carried on by the medical profession, the army, air force, and navy, has proved conclusively that milk is something everyone should have. I therefore deplore the discontinuance of the subsidy on milk, both from the nutritional standpoint and because it will raise the cost of living. It will strike at the old-age pensioner and at all people of limited means—the widows, for instance, who have lost their husbands in this war, because no matter what happens, their means will remain the same.

Increases have been allowed in different commodities that the consumer has to buy. I maintain, and I think I am right, that these subsidies and these ceilings should have been maintained until goods became much more plentiful, because when you advance the price of one commodity you immediately in turn have to advance the price of another, and immediately after that you have to raise a man's wages to enable him to meet his increased cost of living

May I say in passing that the production of milk involves more drudgery than the production of any other commodity. The successful dairyman has always been the man with a family he could exploit. That is, the family milk the cows and produce the wealth, and their labour never was charged against the production of the milk. The government should maintain the ceiling and the subsidy so that these essential services to the nation may be carried on on a satisfactory basis. If you interfered with the ceiling or floor on fish, the same thing would happen to the fisherman. You would deprive him of his present income, out of which he would be compelled to pay for the expensive gear which he bought at war time prices.

The hon. member for Charlotte (Mr. Stuart) pointed out to the house last night that the fishermen's problems were never discussed in the way that the farmers' problems are. I can agree with him that there are more farmer members than fishermen members in this house, but I would be the last one in this house to forget the fishermen in my constituency or any other part of Canada. He talked about the hard life and the long hours put in by the fishermen. I can agree with every word he said, because in the northern part of my constituency, where we have twenty hours of sunshine in the twenty-four, I have seen in the summer time—I did last summer—fishermen leave very early in the morning, and they were still dressing their catch by artificial light at night. This I am sure will compare favourably with the hours put in by the fishermen on the east coast. I do not think that the hardships and the risks taken by the fishermen on lake Winnipeg can be any less than those taken by the fishermen on either the east or west coast. Never a year passes but we read in our Manitoba papers that two or three fishermen have disappeared on an ice floe in their endeavours to feed a hungry world. I might say to hon. members that I have crossed the Atlantic at various times, both on modern liners and on tramp steamers, and never in all my experience have I seen rougher weather than that which can develop on lake Winnipeg. If we do not protect the ceilings and floors which have been established on fish, and at the same time see that the ceilings on the things that the fisherman has to buy are not destroyed, the risks he takes and the hardships he endures will bring him nothing.

I do not agree with my hon. friends to the right that ceilings should be taken off, but I want the government to be consistent, and not to advocate the maintenance of price controls on the floor of the house and to the

people of this country and then proceed to destroy those controls. Guaranteed ceilings and floors are more needed urgently to-day than they ever were in the history of Canada, and if the government breaks them it will be condemned for generations to come.

The government has a golden opportunity now to stabilize the economy of this country and prevent inflation. I say to them, if you want to build the new world that you have promised the people of Canada, don't fail them now. I ask this with but little hope; for the only difference I see between the government and the Tories on my right is that the Tories want to blow the top right off, and the Liberals want to do it gradually. I do hope and pray that they will maintain these ceilings and floors so that every Canadian, whether he be fisherman, farmer or worker, will be able to get his fair share of the national wealth.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, first may I refer to the amendment and the subamendment. The amendment moved by the leader of the opposition (Mr. Bracken) is as follows:

This house is of the opinion that the government's price ceiling policies with respect to farm products are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's stabilization policies.

The C.C.F. amendment is:

This house is of the opinion that the government's policies of permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in imposing on food producers and workers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

The subamendment has been very skilfully drawn. All of us can accept the view that in the light of the explanations so far given, the recent increase in the price of farm machinery is unjustifiable and unfair. But one thing which this subamendment does establish, as was made clear by the hon. member who preceded me (Mr. Bryce) is that the C.C.F. do not believe that the farmers should receive any increase for their farm products. They have made their view perfectly plain in this regard.

Mr. WRIGHT: That is not correct.

Mr. DIEFENBAKER: I am glad to have that statement, because I find it difficult to follow my hon. friends of the C.C.F. in their peregrinations on this subject.

An hon. MEMBER: Like the Tories.

Mr. DIEFENBAKER: I have just heard these terrible Tories referred to by the hon. member for Selkirk (Mr. Bryce), and we did not say anything. We listened. Now I am going to answer on behalf of this party, and I ask the same consideration—being always willing to answer questions—that was given to the hon. gentleman who preceded me.

When I listen to my hon. friends speaking over the radio in the province of Saskatchewan I notice that they do not say what they say here. They tell the farmer that he is not being fairly treated, that farm prices are lower in Canada than in the United States—the inference being that they support an increase in farm prices. But when they come into this house they move an amendment which can have only one effect, that of neutralizing the amendment introduced by the leader of the opposition, and striking a death-blow to the cause of any increase of farm prices in Canada. Apparently they do not believe that any increase of farm prices at the present time would be justified. If they have that view I know they are sincere; all I am trying to do is to make it perfectly clear that that is their point of view. One of my hon. friends said a moment ago that it was not. I propose to read from a very fine address given by the hon. member for Swift Current (Mr. Bentley), reported in *Hansard* of this session at page 867. The question of increased prices of farm implements was before the house. The leader of the opposition raised the question. He said the increase was unjustified, and hon. gentlemen in all parts of the house agreed with him and supported the condemnation he directed to the government in that regard.

The situation as to farm implements was this. There was an increase of $5 per ton in the price of steel in this country, as in the United States; but the difference was this. In the United States—and this for my hon. friend the Minister of Labour (Mr. Mitchell)—the increase was given on the condition that the workers should receive an increase in wages. That was not a stipulation in this country.

Mr. ILSLEY: There were many increases in the price of steel in the United States before that.

Mr. DIEFENBAKER: I realize that.

Mr. ILSLEY: And none here.

Mr. DIEFENBAKER: I realize that, but the fact remains that in that increase, no matter if some were given before—and there were increases in wages before—

Mr. MITCHELL: No, there were not, not since the Little Steel formula.

Mr. DIEFENBAKER: I find it hard to hear my hon. friend. I say there were wage increases before that. My hon. friend knows better than to say there were not.

Mr. MITCHELL: My hon. friend is developing the same argument as the C.C.F.

Mr. DIEFENBAKER: The C.C.F. have made their stand quite clear, and the government's stand is also clear: the farmers will not get an increase in the prices of farm products, regardless of whether production is down in consequence of our prices being down in comparison with those of the United States. The C.C.F. policy was set forth succinctly in the address delivered by the hon. member for Swift Current, as reported at page 867 of *Hansard.*

As was pointed out by the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of this group, we have supported the government's policy of control, even though there has been some discontent in rural constituencies of the west—

Mr. DEPUTY SPEAKER: Order. I understand that the hon. member is referring to a previous debate in the present session. If so, he is out of order.

Mr. DIEFENBAKER: Very well, Mr. Speaker. What the hon. gentleman said in effect was this—I will not quote his remarks—that the C.C.F. party supported the government in placing a price ceiling on farm products, that it opposed any increase in that price, that it had no objection to Canadian wheat being sold abroad at $1.55 regardless of the world price; but he pointed out that if the government did not do something about the farm implement situation, he and those associated with him would have to change their views and support those on this side of the house who believe that there should be a reasonable increase in the prices of farm products. So far as the leader of the C.C.F. party is concerned—and again I cannot quote from that hon. gentleman's remarks, which will be found at page 319 of *Hansard*—

Mr. DEPUTY SPEAKER: Order. I do not think the hon. member should refer even to the page of *Hansard* reporting a previous debate in the session.

Mr. ROSS (Souris): It is the same debate.

Mr. DEPUTY SPEAKER: It is another debate. I am sure that page 291 of *Hansard* carries the report of a previous debate in this session.

Mr. DIEFENBAKER: Very well, sir. It is far from my wish to contravene the rules of the house, and therefore I will put it this way. The view of the leader of the C.C.F., very clearly expressed on different occasions, has been that the C.C.F. party supports the government in its stand that there shall be no increase in the prices of farm products in this country.

Mr. ILSLEY: Mr. Speaker, allow me to correct misrepresentations. The government has never said that there would be no increase in the prices of farm products in this country. There have been adjustments upwards through the years, as the hon. gentleman knows, and there may be in the future, but they will be made in an orderly manner and not in the way that hon. members opposite suggest.

Mr. DIEFENBAKER: I do not mind the minister making a brief statement, but I do not want him to make a speech. He says that they will increase prices in an orderly manner. Let me say that the farmers throughout the west to-day are asking when, under that orderly plan, they are going to be placed in the same position as the farm implement manufacturers who have been permitted to increase the price of farm implements. I am not allowed to quote what the C.C.F. members have said in previous debate, but they want to ask questions for the purpose of showing that they did not say that which I am not allowed to quote.

Mr. IRVINE: Would you mind spending a little time telling us what your belief is?

Mr. DIEFENBAKER: Isn't that the natural reaction? My hon. friends have pictured us in lurid terms. We have been referred to as Tories; slurs have been cast in our direction, and now when one wants to make the record clear and definite so that all who run may read, the jabbering begins.

Mrs. STRUM: Well, aren't you Tories?

Mr. DIEFENBAKER: I am only too willing to answer questions that I can hear. However, to pass on—

Mr. IRVINE: I should have thought you had passed on a long time ago, only nobody told you.

Mr. DIEFENBAKER: In that observation my hon. friend speaks with the voice of experience so far as he is concerned. Now, sir, the leader of the opposition takes the stand, which I believe is also taken in all parts of the house, that conditions throughout the world to-day demand an extra production of farm products. One would scarcely think it necessary to establish that fact. Someone to my left has referred to what Mr. Hoover said recently on his return from abroad, and only within the last two days a general summation of the situation appeared in the *Christian*

Science Monitor, which shows what the people are facing in the different countries of Europe. I quote:

France—Average ration of meat for two meals is about two-thirds of an ounce. Potatoes are scarce.

Greece—With wheat supplies down to nine ounces a day per person, the nation is almost entirely dependent on the united nations relief and rehabilitation administration.

China—In Hunan province, known as the "rice bowl" of China, it is estimated that 7,000,000 persons of a population of 27,000,000 are approaching or are suffering starvation.

Czechoslovakia—All foods except potatoes are rationed. Dairy products, fats and meats are short. Transportation difficulties are acute. Country gets one-seventh of its grain from UNRRA.

Hungary—Average daily ration, about 500 calories, is so low that medical officers assert it is responsible for 40 out of every 100 fatalities among children.

Italy—Two pounds of bread cost $4.50 on the "black market." Adequate "black market" meals cost $5.

Yugoslavia—Five million people rely entirely on UNRRA. In many places the only food available is three slices of bread a day.

Poland—Nine million bushels of grain will be needed within three months. Own grain stocks are running out. The nation is fast approaching the danger line of hunger.

Albania—Local grain stocks are running out, and about 57 per cent of the people now depend on UNRRA wheat and flour.

Belgium—Darker bread loaf has returned and "black market" is flourishing.

Germany—Representative meal is a boiled potato, two spoonfuls of fish or hash, and dry bread. Potato supply is near exhaustion.

The situation there depicted undoubtedly calls for extra production, and how shall we obtain it? My hon. friends to my left have their own point of view in that regard. Australia found it necessary to raise the price of wheat; in other words, to raise the price which the farmer should receive, to the end that greater production be encouraged. Argentina is in the same position. The Canadian farmer is urged to produce essential foods to allay the starvation that stalks the world everywhere, and in no other country could there be such an increase in food supplies as there could be in Canada. In Russia, according to the New York *Times* two days ago, the present low standards of nutritional diet are such that even if agricultural production were expanded, the extra production would be needed at home. The United States can double its agricultural production, but this would necessitate a change in the whole economy of the country, and several million people leaving the cities and going to the rural areas. In Australia and New Zealand, while there can be small increases, it is frankly admitted that there can be no material increase. Realizing conditions of famine in the world at large, in order to secure the extension and expansion of production in wheat and other farm products at this time, our position is that prices of farm products should be increased, without in any way wishing to do as the hon. member for Selkirk has suggested, namely, to remove the price ceiling in its entirety. There is no such suggestion anywhere on the part of any official of this party. The only removal of the ceiling that we advocate is the removal of the ceiling on farm products so far as the present ceiling impedes production. Decontrol should only take place in other respects when the necessary supplies are available to assure a fair distribution. Speaking for myself alone, I say that if controls were removed altogether at this time I should be fearful of conditions everywhere in the country. On the other hand, much is made of the danger of inflation; but, may I add, nowhere has there ever been any serious inflation through increased prices, that are reasonable and fair, on farm products.

Take the situation in Canada to-day. Does the Minister of Finance say that there would be inflation if a fair and reasonable increase were allowed on the price of wheat and other farm products? He is fearful of inflation with increased farm prices. There was no fear of inflation in some of the social legislation which I supported, and which was brought in with the consent of hon. members in all parts of the house.

While the United States is endeavouring to encourage the production by the only means they know, the increase in price, which is also true of Australia and Argentina, here the policy is followed of refusing to face the situation which confronts this country. At this time the farmer, by reason not only of prices but also of unfairness of the income tax, is going on a strike in many parts of Canada, or he finds himself in a position where there is not the encouragement of production which there must be if there is to be the necessary production.

We believe that to establish extra production the first requisites are equity and security in farm prices. To remove the ceiling on farm prices to-day in order to bring them into line with world prices in no way requires the removal of the floor. No one suggests that. But we do say that with extraordinary and terrible conditions existing in the world to-day, with famine stalking nineteen or twenty countries in a manner the like of which has not been seen in four hundred years, surely this is the time for extraordinary measures to assure the production in the one country where production can be expanded and would be expanded if the government would give the lead.

With regard to farm costs, I realize that prices have gone up to some extent, but farm costs have also gone up. Only recently R. J. Deachman, a well-known economist, wrote an article in which he took the 1939 prices as 100. In that article he pointed out that manufactured goods have risen 24·7 per cent; seeds, 77·4 per cent; feed, 61·8 per cent; gasoline, oil and grease, 23 per cent. I presume that is without the three-cent tax that should have been removed had there been any desire to encourage extra production on mechanized farms throughout the country. Building materials have risen 61·2 per cent; binder twine, 34·8 per cent, and farm labour 110·8 per cent.

Mr. ILSLEY: What about farm implements?

Mr. DIEFENBAKER: I have not farm implements here, but I think they have risen approximately 8 per cent.

Mr. ILSLEY: It is in that list.

Mr. DIEFENBAKER: I have not it in my notes. I believe it is 8·5 per cent.

Mr. ILSLEY: Yes.

Mr. DIEFENBAKER: I want to place the facts before the house. The Minister of Finance accepts one of the statistics. I ask him to accept those that I quoted from the same author, which is another reason why there should be an increase in farm products.

There is one thing that the Minister of Finance might do. If he did it, it would remove a certain type of propaganda that is going on throughout the country. Senator A. N. McLean recently returned from the United States and gave an interview on UNRRA and the food situation generally in Europe. His statement received wide circulation. If it is not in accordance with the facts, it should be denied; if it is in accordance with the facts, there is something seriously wrong. He said:

> Therefore it seems rather fantastic that large quantities of foodstuffs right under the noses of these organizations is being taken away for export abroad.
>
> Fish products are being exported from Norway, Iceland, Spain, Portugal and the United Kingdom.

He goes on to say:

> There is certainly something wrong with such an uneconomic system. Ships leave American ports loaded with fish products, for instance, and in the mid-Atlantic meet ships from Europe destined for America, loaded with similar products. This does not make sense, and someone should be held accountable.

I repeat: This statement received the widest possible circulation in this country. It is a strange thing that conditions like this should exist, if they do; if they do not, the Minister of Finance, in the interests of the morale of this country and the mobilization for securing the necessary additional food for Europe, should see that it is stopped at the earliest possible opportunity.

In my opinion some changes must take place in the income tax. In the statement made by the Minister of Finance a moment ago I detected an indication that the pressure of the campaign of the leader of the opposition that there should be fair and reasonable advances in prices of farm products is about to secure results.

Mr. ILSLEY: That is just what we have been doing ever since 1941.

Mr. FERGUSON: Look at the results.

Mr. DIEFENBAKER: I think it can be safely said from the statement made by the minister to-day that the farmers are going to get more than $1.55 a bushel for their wheat. When that happens let it be perfectly clear that it was not my hon. friends to the left, the C.C.F. party, that mobilized opinion in this country; it was the leader of the opposition who throughout the last year has been endeavouring to secure a fair and reasonable share of the national income for Canadian farmers.

With regard to income tax, I am not going to go into the various recommendations that were set forth in great detail by the Canadian Federation of Agriculture at its meeting in London in January last. While by the recent changes in the income tax, a step was made in the right direction in order to secure the sale of the wheat that the farmers of Canada had on their hands, I suggest to the minister that at this session the basis of the assessment of income tax in so far as agriculture is concerned should be extended over the present period, and certainly over a five-year moving average. My hon. friends to the left have also frequently advocated this. I am in agreement with them on it. Allowance should be made for the labour of the farmer's wife, his sons and daughters in connection with farm production, because without these allowances being granted there is not the incentive that there should be to secure the necessary increase in production. I point out another difficulty in connection with the income tax. It has to do with hired help on the farm. A man comes to a farm and wants to get work. He refuses to work for the farmer who desires to deduct the income tax from his wages. While I realize that that condition cannot be rectified, nevertheless the fact remains that it is a factor.

Having regard to world conditions, no one in this house suggests that we should endeavour to take the world by the throat and to exact anything unfair. The government say that is what we would be doing if more than $1.55 a bushel for wheat were charged. They say that in selling below the world market price they do so in order to establish friendly relations in Europe and other parts of the world, so that when peace comes markets will be available. So that in reality we have a form of advertising, coupled with philanthropy, it is true, for which the farmers instead of all the people of Canada are asked to pay. As far as this party is concerned, it believes this. Sell wheat at whatever price you believe is reasonable, but do not saddle the farmer with any loss incidental to the advertising. That should be paid or assumed by the state.

As to the income tax, if the suggested changes are made and lowered rates imposed there will be greater incentive. I know there are those who say they believe in production for use rather than for profit, but they are the first to argue that, with the income tax as it is to-day and with the anomalies that exist, there is no incentive. By that very argument hon. gentlemen to my left show in effect how impossible it would be to change human nature under the influence of socialism. They say that the farmers will not produce because there is too little left over, because the income tax is too high. At the same time they say that there is a change in human nature, that mankind will accept the principle of production for use rather than profit.

There is one other matter—

Mr. IRVINE: Try speaking on the subject now, for a change.

Mr. DIEFENBAKER: As my hon. friend knows, the observations that one cannot hear can never be answered. I should like to refer to one other matter to which I want to direct the attention of my hon. friend the Minister of Labour (Mr. Mitchell) particularly. That is in regard to what is being done in connection with the production of sugar. This year the government called upon sugar beet producers to increase their production materially. Those producers in the five counties of southwestern Ontario have had 35,000 acres set by the government as their target. According to the statement yesterday of the hon. member for Kent, Ontario (Mr. Desmond), the acreage to be signed up so far amounts to about 26,000. In that industry there is a great shortage of man-power. There are those who say there cannot be very much unemployment in the country if we are calling for man-power in this industry. Well, there are approximately 250,000 unemployed men in this country.

Mr. MITCHELL: Men and women.

Mr. DIEFENBAKER: Yes; but that fact does not secure workers for this type of work. I am not one of those who would advocate in any way the compulsory transfer of workers, or anything like that. It is a fact that this is difficult, trying and irksome work, and the fact is that the necessary man-power is not available. If Canada wants an increased production of sugar something must be done to make more men available in those five counties. Yesterday the Minister of Labour pointed out that 1,050 prisoners of war would be made available. He said that 852 were now available and that possibly the other 200 would become available within the next few days, or shortly. I cannot understand the mystery about those additional 200, but no explanation was given.

Mr. MITCHELL: If my hon. friend wants an answer I can give it to him now.

Mr. DIEFENBAKER: If I may conclude this portion of my remarks I shall be glad to have the minister's answer. Of the 850, some 223 are on individual farms, which may or may not be growing sugar beets. In any event, these workers cannot be organized into flying columns or squads. In addition, 100 other prisoners have been allocated or promised to individual farmers. In other words, of the 850 some 323 will go to individual farms, leaving only about 530 available to work on the sugar beet farms. Last year there were some 850 available in addition to the 200 on individual farms. Last year there were only some 17,000 acres in sugar beets. This year there are 26,000 acres; yet the number of men available under the prisoner of war scheme is several hundred less in those five counties than it was last year. There is a distinct shortage of sugar in this country, and the production in that area alone will materially assist in alleviating the shortage. I realize the difficulties of the minister, and I commend him for what he did yesterday; but I am informed that the situation to-day is such that unless three or four hundred men are made available immediately, thousands of acres now signed up for sugar beet production will be sowed to alfalfa, to the definite detriment of our sugar supply.

Therefore I would ask the minister—and I intend to give him the opportunity to answer, without making a speech—to advise the house and the country whether or not the appeal

of these farmers will be heeded, and whether these prisoners of war will be made available. They will not be taking jobs from other people, because other people will not do that work, a definite recruitment campaign having been carried on for several weeks in this connection. Again I ask if it would not be possible, with a view to assuring that extra production of sugar this year, to do something in the way of increasing the number of prisoners of war available, to which the minister made reference yesterday. He has asked me for the opportunity of answering, and I give him that opportunity now, if I may then proceed.

Mr. MITCHELL: It is very simple, Mr. Speaker. Speaking from memory, we have 10,000 prisoners of war in the lumber industry at the moment, for one thing. It is all a question of shipping. At the moment I cannot give any guarantee on the question of shipping these people back to Europe. They bring back our soldiers in transports and take the German prisoners back in the same transports. As I suppose my hon. friend knows, those transports are controlled by the British government, and they are either going back into normal channels of trade or being prepared for that or used as transports for bringing British army, navy and air force personnel from distant parts of the commonwealth. It all depends on that. If I could get some assurance in regard to transportation this problem would not be too difficult. However, I think we have taken care of the sugar beet industry across the country, in Alberta, Manitoba and Ontario, up to now; and every effort will be put forth to see to it that the necessary man-power is provided.

Mr. DIEFENBAKER: I thank my hon. friend for his statement.

Mr. MITCHELL: I want to thank my hon. friend for having brought the matter to my attention several times.

Mr. DIEFENBAKER: No one asks for any preference. All that is asked, as far as this industry is concerned, is that having regard to their production they be placed on a parity with Manitoba and Alberta.

Now, Mr. Speaker, may I conclude by saying that as far as I am concerned I suggest that something should be done, but not in the direction of removing the entire ceiling. No one advocates that. The amendment of the leader of the opposition makes it quite clear that it does not advocate a removal of the entire ceiling. Yet hon. members on the government side, in answering this demand of agriculture across the country, endeavour to befog the issue by raising the bogey of inflation and pointing out what happened after the last war.

Mr. ILSLEY: Is it not the announced policy of the Progressive Conservative party to remove the ceiling from prices of farm products?

Mr. DIEFENBAKER: There is no argument about that. I am speaking about the entire ceiling. As far as farm products are concerned, they are maintained at a level far below what is fair having regard to prices of other products. All that the farmer asks is that he receive parity prices. All he asks is that one section of the community should not be sacrificed for the benefit of other sections.

This would do more than anything else to encourage production. It is doing it in the Argentine and in Australia. No doubt, after the crops are in and the possibility of expansion is over, the government will raise prices, but if this action were taken now it would act as an incentive for increased production. A situation the like of which has never been seen in our time faces the world to-day. Mankind calls on Canada. Experience shows that extra prices afford an incentive to increase production, in the case of agriculture as well as other industries. It may be too late in two or three months. The world calls to-day.

There is hope in what the Minister of Finance has said, but let action be taken now. The amendment moved by the leader of the opposition was moved in a humanitarian desire to secure that extra production and to assure that agriculture shall receive its fair share of the national income.

Mr. ILSLEY: I wish to make it clear that I had nothing more in mind and meant nothing more than what we have said and meant from 1941 on in the way of adjustments that have been made from time to time.

Mr. DIEFENBAKER: That means nothing.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I have listened with interest to this debate, and to the members of this group it would appear that so far it has generated more heat than light. That is not to be wondered at because it has been carried on mainly by the three parties, the Liberals, the Conservatives and the C.C.F.—three blind mice. Fundamentally they all believe in the same policy. They are all controlled by the same outworn orthodox system of economics. They all believe in planning and they all believe in control; the only quarrel between them is as to who shall do the planning and who shall do the controlling.

Mr. MacNICOL: That is very important.

Mr. JAQUES: It is important to those who hope to do the controlling. The members of this group believe that the individual citizens of this country should do their own planning and control themselves. This afternoon I heard the statement, "production for use and not for profit." Why that saying should be currently repeated, I do not know. Surely it is obvious that if a person is to produce something at a profit he must produce something useful. Otherwise there will be no profit. It is not up to any minority to tell the majority what they are to consume and how much. That is the affair of the individual, not of an organized minority.

The Liberals claim that they believe in the profit system, but they are destroying the profit system by taxation. In this connection I should like to read a letter which I received from a constituent of mine, one of the best known agriculturists in the Lacombe district. I might say that the Lacombe district is one of the best farming districts in western Canada. It may interest the Minister of Finance (Mr. Ilsley) to hear the contents of this letter. I am not sure, but I believe the writer is or was a supporter of the government; I do not think he is a supporter of mine. The letter is dated May 21, and reads:

Dear sir,

You will no doubt be somewhat surprised when you receive this letter from me and you no doubt receive many of the same nature from other people in this constituency along the same line.

I believe that in my business, which has extended over a period of almost thirty-eight years in this district, that I do have perhaps a better opportunity than most people to hear and know just what our farmers are doing and talking about, and I refer you especially to the present income tax law as regards our farmers.

I would like to point out to you and others who may be responsible for the present situation that during the last fall and this spring season of farm sales which I have conducted, there have been no less (and I think more) than 12 of our young and most successful farmers in the Bentley and Lacombe districts that have sold out and quit simply because they feel that the income tax is unjust and that they absolutely refuse to work 365 days in the year and then if they do happen to have a good crop, give the government anywhere from 25 to 40 per cent of it.

I know of others who are still staying on their farms, and men who a very short time ago were the largest feeders and raisers of live stock (cattle and hogs) that to-day are not feeding or raising a single head of live stock. They say that they are not going to buy feeders, work every day, Sunday as well as week days, snow or blow, cold and wet and then if they are lucky enough to make a few dollars give most of it to the government for income tax.

[Mr. Jaques.]

Others that I know are quitting and hiring all the work done on the farm. I am of the opinion that the farmers of this district are no different from the farmers all over Canada. Most of them feel that when they have paid their municipal, school, social service and many other indirect taxes they have done enough tax paying. They all feel that they are not getting a fair and equitable deal regarding their income tax. They talk something like this. That it is nowhere near fair to tax them plenty when they are fortunate enough to get a good crop as well as price, and then when they are hailed, froze or dried out and get no crop, there is no recompense.

Now then, Mr. Jaques, you can do as you please about what I have written. Do something about it or throw this into the wastepaper basket. But I am telling you and those who are in power at Ottawa that they have got to do something about this whole business, or we are not going to have any good farmers left in this district.

That letter is signed by Mr. C. F. Damron, one of the best known agriculturists in western Canada. There is no man with a sounder knowledge of farming than Mr. Damron and there are no better farming districts —I doubt if there are any as good in the whole of western Canada—than Lacombe and Bentley. That is the condition of the farmers there. While the socialists would, I suppose, make profits a criminal offence, the Liberals are making profits impossible through taxation, and under the orthodox system of finance there is no alternative. As I said when I started, they are all going the same road; they are all going the same place. The only quarrel is over who shall do the planning and who shall do the controlling.

I have heard something about inflation. What is the cure, and the only cure for inflation? It is production. Why should we not have more production? Because the producers in the first place are discouraged by taxation, or they are frightened by what more controls may be in store for them. They are uncertain; they do not like to go ahead and start things when they cannot see the end of their ventures.

I would not, of course, advocate the complete removal of controls, but as a general policy I am all in favour of doing away with controls as quickly as may be possible. I believe in free enterprise. There are only two methods of production. There is persuasion, and there is compulsion—it is one or the other. So far we have always had production by persuasion, and under that system we have not only produced enough for everybody but we have actually had overproduction. It is not really a matter of production. We have solved that problem. We shall have to solve the problem of consumption, and that cannot be done by the

old price system, by orthodox finance and orthodox economics. As I said, the Liberals and Conservatives would plan and control by taxation, while the socialists would have planned production, which, of course, in the end means planned scarcity. That is the history in those countries where socialism has really been tried out.

I am familiar with one of the choicest and most desirable parts of western Canada. I refer to the Fraser valley in British Columbia, and I see that the member of Fraser Valley (Mr. Cruickshank) is in his seat. I have lived in the valley and I am fairly well familiar with conditions there. It is one of the garden spots of the world. At the present time I believe the farmers there are prosperous. I am glad to say that they have done well, but for many years before the war they were certainly in a depressed condition. I have close relations who are producing milk in the Fraser valley and I had many conversations with them before the war. They depend, of course, upon the Vancouver market to sell their whole milk. Their trouble before the war was this, that although the market and the demand for milk was there, the demand was not effective because it was not supported by money. The Fraser valley milk producers' association had the idea that if they could only get 100 per cent of the retail market they could raise the price of milk by keeping a certain amount of it off the market. In other words, they could raise the price by making milk more scarce. I used to tell them: If you could do that, apart from the moral question involved, you would do two things at once. If you succeeded in raising retail prices under these conditions, you would at once stimulate the production of milk in the valley, but you would also lower the sales of milk because, although you raise the price, you do nothing to increase the effective purchasing power of the people to pay the extra price, and what would happen would be this. You would increase the supply of milk, but much of it would go into the milk factories and be sold on the market in the can. There is no profit for them selling milk in the can; their profit is in selling raw milk over the retail counter. But since the war they have done very well for the simple reason that there has been a great increase in the population of Vancouver. I do not know the figures, but there has been a very great increase in Vancouver's population, and of course an enormous increase in payrolls, so that there is more money in the hands of the people. The reason why these farmers in the Fraser valley have done well is simply that they have sold most of the milk in the raw state over the retail counter because the people want the raw milk and have money to pay for it.

The reason I mention this is that the milk subsidy is to be taken off. I believe that is a great mistake. What we have to do is to stimulate production and the only real way to stimulate production is to stimulate consumption. We should finance consumption, and then production will finance itself. The milk subsidy—and there were others—was a direct application of a social credit principle, and that is the direct financing of consumption. It was done in Great Britain during the war to an enormous extent; I have not the exact figures but I believe it was something like one billion dollars a year. I understand that this subsidy is to be removed. I think that is a great mistake. If we take care of consumption, production will take care of itself.

Conditions after this war have been compared with conditions after the last war. In fact I heard an hon. member contradict himself: he pointed to conditions in 1919 as an illustration of the terrors of inflation, and later on in his speech he said that 1919 and 1920 were the only years when the farmer got a just reward. According to that, you can have a just reward only under inflation. Then he blamed on inflation—or at least I so understood him—the depression which followed those good years. It was nothing of the kind. As I remember it—and I was farming at the time; in fact I have been farming since 1901, and that is a considerable time—after the last war there was an extraordinary recovery. In a year, or perhaps two years, the world seemed to have recovered. There was no talk of starvation; there was no talk of famine; there was plenty, and very soon there was more than plenty; in fact it was said that there was over-production.

Why have we the opposite conditions today? We talk about famine and starvation. You cannot get any goods. You go to a store to buy even such a thing as a shirt and you cannot get it. In those days there was plenty of goods but no money; in these days there is money but no goods. I say that both those conditions are artificial, and I believe they are deliberately brought about, through planning. What we are doing with regard to food is, we are entrusting the control of the world's food to the hands of very few people. I hear complaints and criticisms of such institutions as the grain exchange. Some people think it would be better and safer to do away with such bodies and place the control under a board; in other words, in the hands of a few people. To my mind that is a most dangerous

proposal. It is a terrible proposal. Already we see some of the consequences of these controls; certain countries are being threatened with starvation if they do not toe the line. What we are coming to is world dictatorship, world tyranny through the control of the world's food. If that is the "new order," for heaven's sake let us keep to the old. World control or world planning, with the systems of coupons and rationing, means world slavery. I will say this, that only the crook demands and only the craven desires security at the price of freedom.

Mr. F. S. ZAPLITNY (Dauphin): I am glad that the house has abandoned the idea of taking a vote on this question to-day, because I believe this is one occasion on which all hon. members should have an opportunity to express their opinions. In fact, had this debate taken place a month or more ago the government might have saved themselves a great deal of trouble, because at the present time they are being asked to answer many questions and consider many things which should have been answered and considered before the action was taken which precipitated this type of debate.

Before coming to the amendment itself, I should like to straighten out a few of the statements which have been made by the hon. member for Lake Centre (Mr. Diefenbaker). I must admit that I admire his ability in speaking in this house, but very often I feel that he does not make the best of his ability when, instead of stating the facts as they are and basing his argument upon them, he takes the thin edge of the pyramid and builds his whole argument on one point which, when it falls, causes the whole thing to crumble. I am afraid he did something of the sort to-day in misrepresenting the stand of the C.C.F. party on the question of price control. He spent so much time in making statements which were not in accordance with the facts that he did not make the stand of his own party at all clear; in fact he confused the issue to a point where, I believe, no one knows where his party in the house stands.

I wish to refer to what the leader of our group had to say on May 6. Speaking in this house on this amendment—not the subamendment—he said, as reported in *Hansard,* at page 1253:

> . . . if we are to have price ceilings let us have them for everybody, not pick somebody out and provide him with a hole in the ceiling.

That in a brief way sets out the stand that we take. We are not opposed to price control as a principle, especially so at this time, because we believe that if it has been found necessary up to now, conditions as to shortages of goods have not changed enough to make it possible now to remove price control. In fact, if there is to be justice in the matter of prices and wages there will have to be price control. That is the stand we take, and I think it was made perfectly clear by hon members speaking for this group that we are not attacking the government because they are maintaining a certain price ceiling policy as such, but because the policy they are following has been working to the disadvantage of certain groups of people in this country, especially the farmers and the workers.

We have made it clear also, but I want to repeat, that we believe that certain adjustments have to be made in the price ceiling policy when the government have permitted a price increase not only on farm implements, which have been mentioned so often in this house, not only of two cents a gallon on gasoline in western Canada, but on many other articles including drugs, cosmetics, tobacco, paper, jewellry, millinery, textiles of all kinds, steel, and steel products—I could name them by the hundreds. Price ceilings have been raised on dozens of manufactured articles. We say it is time that the government gave some consideration to the workers and the farmers of this country in order to recompense them for the higher costs of living resulting from the price increases. That is the stand we have taken, and I think it is clear enough. For some reason the hon. member who spoke before me attempted to becloud the issue and muddy the waters in order to make it far more difficult to understand.

I am going to try as clearly as I can to show what is the stand of each of the political parties represented in this house. If I am wrong they will have an opportunity of setting me straight when they speak.

Let us come back to the Progressive Conservative party. In the same speech this afternoon the hon. member for Lake Centre set out three different attitudes or, one may say, took three different stands on the question of a price ceiling. In the first place he said that no one in his party was advocating doing away with price control, which, of course, is not as I understand it, because if we read the speech made last night by the hon. member for Dufferin-Simcoe (Mr. Rowe) or the speech made by the hon. member for Calgary East (Mr. Harkness) the other day, we shall find in their own words as recorded in *Hansard*—unless it is not correctly reported —that they are in favour of doing away with price control altogether

Mr. ROSS (Souris): That is not a fact.

Mr. DIEFENBAKER: That is misrepresentation.

Mr. ZAPLITNY: If that is so, it will be necessary to look up the record and see.

An hon. MEMBER: Put it on the order paper.

Mr. ZAPLITNY: Before I am through, it will not be necessary to put it on the order paper. Speaking in this house, the hon. member for Calgary East, as reported at page 1567 of *Hansard*, said—and if I do not interpret it rightly they may interpret it for me, or misinterpret it as they like:

> In view of that fact, I think all believers in free enterprise, including the government, who profess so to believe, should now be bending their thoughts and energies toward the abolition of all those controls which were forced upon us during the war.

Mr. ROSS (Souris): What was he talking about?

Mr. ZAPLITNY: About price control, in case you do not know. That is the statement.

Mr. ROSS (Souris): Farm products; read the rest.

Mr. ZAPLITNY: He did not say so. He said, "all those controls which were forced upon us during the war". That takes in the whole territory. No one to my right can deny it.

Mr. ROSS (Souris): You are taking out a part and leaving the rest unread.

Mr. ZAPLITNY: You will have an opportunity of reading it for yourself when you speak, but there it is on the record and I have given you the page number, and you have plenty of spare time.

Mr. GRAYDON: Obviously referring to farm products, in this debate.

Mr. ZAPLITNY: He said:

> . . . toward the abolition of all those controls which were forced upon us during the war.

You can argue all you want to—

Mr. MACKENZIE: It is very clear.

Mr. GRAYDON: Those controls are farm controls.

Mr. ZAPLITNY: I will not waste time in arguing that fact.

Mr. GRAYDON: For your own benefit you had better drop it.

Mr. IRVINE: Order.

Mr. ZAPLITNY: The amendment has been read several times in this house and I do not think it is necessary for me to read it again; if necessary hon. members can read it. I think it can be said that both the hon. member for Calgary East and the hon. member for Dufferin-Simcoe definitely stated on the floor of the house that, because they believed in free enterprise, therefore we must do away with controls entirely, and the house will bear me out in that statement. I realize that quoting from the record sometimes does not answer the question, because I noted down carefully a few of the statements made last night by the hon. member for Dufferin-Simcoe, word for word as he said them, and other members did the same, as he was speaking; but when we take up *Hansard* to-day we find these statements have been substantially changed. Evidently—

Mr. GRAYDON: Oh, well, now; just a minute.

Mr. ZAPLITNY: —someone has changed his mind about what is the proper thing to say.

Mr. GRAYDON: On a question of privilege, I am entitled to the floor—a question of personal privilege. The hon. member, I think inadvertently, has referred to *Hansard* as having been changed by an hon. member of this house. I know he does not mean that, but he ought to have an opportunity of withdrawing it because it conveys an impression which I think should not be conveyed by any member of the house, as directed against another hon. member.

Mr. SPEAKER: I suggest to the hon. member that he modify his statement.

Mr. ZAPLITNY: Mr. Speaker, in compliance with your suggestion to modify the statement I will do so. I know you have not asked me to withdraw the statement but to modify it. I therefore modify it to this extent that, although I have average hearing, and so has my deskmate, yet what we both heard last night and noted down word for word is not what appeared in *Hansard* to-day under the name of the hon. member for Dufferin-Simcoe. I hope that makes it clear enough, and it carries no offence to anyone. But that happens to be the fact. So much for the record.

We come now to the stand of the government itself. Just what is the policy of the government? Where does the government stand? Listening to the speech of the hon. member for Essex West (Mr. Brown) the other evening, I got the impression that he believed the government had done wonderfully well by the farmers. He said:

> However, strange as it may seem, I come from an industrial area and I was elected.

Of course, greater wonders have taken place.

I think the people of Canada are quite well aware of the benefits that have accrued to them from this government—this Liberal government.

Evidently he felt quite satisfied with the work of this Liberal government. But when we come to some of the statements of other members of the same party we find they were not quite so satisfied. For example, the hon. member for Halton (Mr. Cleaver), speaking on May 15 in this house, said:

I have a statement from the bureau of statistics showing that the farm income in 1939 was $722·3 million; that is the cash farm income. I concede at once that the industry was a depressed industry at that time—

We must not forget that we had this same Liberal government from 1935 to 1939, and if this government had done as well, if it had been as generous to the farmers, as the hon. member for Essex West implied, then why does a member who supports the same government say that he admits at once that the industry was a depressed industry in 1939, after four years of Liberal administration? He goes on:

—but may I point out to the leader of the opposition that, while agricultural income was $722·3 million in 1939 and the industry was then in a distressed condition—

It was not only a depressed industry but it was also a distressed industry, and he admits that.

—the distress at that time was nothing like what it was in the early thirties when the party of his adoption was in power.

He was speaking of the leader of the opposition. In other words, the only defence he had to make was that the Liberal administration was not quite as bad as the Conservative administration had been from 1930 to 1935. There we have a difference of opinion between two members of the same party in the house as to how generous the government was to the farmers of the country.

I would say—and if I am wrong the Minister of Finance (Mr. Ilsley) will correct me—that the policy of the present administration as to price ceiling has been one of pressure; that is, the group who could exert the most pressure on the government to have price ceilings raised in their particular industry succeeded in having them raised. There did not seem to be any pattern to follow—

Mr. ILSLEY: Under the rules I am under no obligation to rise when invited to do so, but I certainly disagree with the statement of the hon. gentleman.

Mr. ZAPLITNY: We will not argue about that. I am giving my impresion of what the government policy appears to be. Speaking in the debate on farm implement prices, I asked the Minister of Finance, very early in the debate, to lay before the house all the evidence of the implement companies to show that they required a rise in the price of their product. I waited patiently through the debate and heard the Minister of Finance speak later on, but we did not get the evidence asked for. There were some abstract figures and a few statistics that, to my mind, proved nothing. Here are figures that prove a lot more. I find that in 1937 the Massey-Harris company made a profit of $1,043,728. It could not have been called a depressed or distressed industry when it was doing as well as that. In 1944 it made a profit of $1,413,396. It was not so distressed then.

Mr. McCANN: On war contracts.

Mr. ZAPLITNY: It is good money whether coming from war contracts or anything else. In 1945 it made a profit of $1,800,000. There is no sign of distress there. Unless the minister can present better evidence to this house before the debate ends than he has done up to now to show that there has been a necessity to raise the prices of farm implements at a time when the farmers of this country have placed thousands and thousands of orders for farm implements and are willing to go right to the dealer's door, willing to pay him cash on the barrel-head, the farmers will not agree with him. The companies claim that they are going to lose money at a time when their selling costs are going down to the vanishing point. It is not necessary for the implement companies to go into advertising, to employ salesmen, or to incur any of those expenses of sales which go into overhead, because the farmers are begging for the machines and have cash to pay for them.

These are figures and statistics that should have been placed before this house before the government permitted or authorized an increase in the prices of farm implements, and not after. The responsibility for having broken the price ceiling structure cannot be placed anywhere except on the shoulders of the government. I clearly remember listening to the speeches of the candidates of the party opposite during the last election. Their expressed policy was one of maintaining price ceilings in fairness to all. They held out promises of full employment, good wages and fair prices, things which we could all well support. They were elected on that basis, and within one year after that election they have broken the price ceiling structure at least a dozen times. I have already placed on *Hansard* a number of manufactured articles on which price increases have been

permitted. They did not tell the people last June that within one year after the election the price of farm implements would go up 12½ per cent. They did not intimate that in western Canada the price of gasoline would go up two cents a gallon. They did not give us any warning that the price of paper, textiles and millinery, steel products and so forth would all go up in price inside of one year. They were elected in good faith on their platform of maintaining a stabilized price structure. That was in June, 1945.

There is another angle which has to be considered before we go further, namely, the injustices which have cropped up or which are now in the present ceiling policy of the government. In many cases these are injustices which started five years ago. It is not something that has cropped up overnight. When the price freezing order was put on in 1941, prices and wages were frozen at levels which, in many instances, were not adequate. No one will say that in 1941 the price of farm products was the right price. According to the bureau of statistics, in 1941 the average price of wheat, which is a staple product of the west, was only fifty-five cents a bushel. That is the average of all grades. No one will say that that was a fair price. If one wants to go into wages he will find that many of them were far below standard, and yet evidently it was accepted by the government that the price which obtained in 1941, when the order was put in, was the correct price for everybody. Very little effort was made in the first year or two to make adjustments where adjustments were needed. That is a matter of history.

The hon. member to my right brought up to-day the question of the increase in the price of wheat. He said that if a price increase is allowed it will not be because of the C.C.F. group but because of the action of the leader of the opposition (Mr. Bracken). I cannot understand how an hon. member can make that statement when he knows the history of prices. Let me take him back to 1943. At that time the present leader of the opposition was not in the house. I am doubtful whether he then owed allegiance to the party which he is now leading. That, of course, does not matter. In 1943 four by-elections were held in this country. Shortly before they were held a delegation of four hundred farmers from western Canada, practically all of them from Saskatchewan, came to interview the government in an effort to have the initial price of wheat raised to at least $1 a bushel. That is all past history. We know that the present Minister of Agriculture (Mr. Gardiner) is credited with having said that if four hundred farmers could afford to come all the way from Saskatchewan to Ottawa as a delegation they did not need a price increase very badly, and they were not very successful at the time. As I say, four by-elections were held in 1943. In the riding of Selkirk the hon. member who now represents that riding in this house, was elected. In Humboldt the hon. member who now represents that riding in the house was elected by an overwhelming majority. That did more to raise the price of wheat than all the delegations that had come here prior to that time. In other words, what was it that caused the price to jump not to $1 but to $1.25 a bushel? It was because the people of the west expressed themselves emphatically at the polls in Selkirk and Humboldt, and they did so by voting for C.C.F. candidates.

Mr. MACKENZIE: What about June, 1945?

Mr. ZAPLITNY: Incidentally, in both of these constituencies the Progressive Conservatives did not even have the courage to put up a candidate. Therefore how can they claim that it was through their efforts the price of wheat was raised or is to be raised at the present time?

Mr. ROSS (Souris): Would the hon. member tell the house what percentage of the electorate was polled at these by-elections?

Mr. MacINNIS: The Conservatives did not get any of the number polled.

Mr. ZAPLITNY: I am sorry, I have not these statistics available. I was not expecting to go into these matters to-day, but because of the speech that was made by the hon. member for Lake Centre (Mr. Diefenbaker) it was necessary for me to put these things on record.

Mr. GRAYDON: What about the Ontario results?

Mr. SPEAKER: Order.

Mr. MacINNIS: Take the results of 1943 with 1945.

Mr. GRAYDON: We are bringing them up to date.

Mr. MACKENZIE: Take the last election.

Mr. ZAPLITNY: I do not mind taking on two Conservative members at a time, but not in this house. If they want to shout I cannot out-shout them.

Coming back to the question under discussion, I said that it was the responsibility of the government for having damaged the price structure. It is a responsibility which they cannot shelve by making excuses; it is

one which cannot be shifted to the opposition or anywhere else. I maintain that the policy which is indicated in the subamendment moved by the hon. member for Qu'Appelle (Mrs. Strum) is an expression of what I believe is the opinion of the majority of the people of this country, namely, by permitting certain price increases on manufactured articles, especially on steel and steel products, farm machinery, and a myriad of others that I cannot mention just now, the government itself is upsetting the price structure. That is why the subamendment was moved in the terms in which it appears. It was not made merely to obliterate the amendment of the Progressive Conservative group, as they seem to think. It was made to put the whole thing in its proper perspective. It is not a question of doing away with price controls, because we know, without having to debate it, that the people of this country do not want to do away with them, even though the party to my right seems to favour it. We know also that if the government is going to permit certain price increases for certain favoured industries or groups of individuals they will have to permit price increases for the farmers and the workers. That is the stand which we take; that is the stand which is indicated in our subamendment and I think it is clear enough.

Before I resume my seat I should like to bring another matter to the attention of the house. During the debate in connection with farm implements the Minister of Finance was asked how it happened that certain stock should have been sold to a select group of the Massey-Harris company, on which they stand to gain a good deal of money, and how it was that this should be pulled off just at about the same time this company was applying for a price increase. I wish to read an excerpt from *News Comment,* referring to an article which appeared in the Winnipeg *Free Press* of April 20:

> Last January 9 the Massey-Harris Company sold to certain of its officers and employees 115,250 shares of the company's stock at $14\frac{3}{8}$ per share. The options are to run for three years and the beneficiaries can take up one-third of the stock each year. If the price of the stock goes up on the stock exchange, these favoured officers and employees can take up their options and sell their stock. It so happens that the price of Massey-Harris stock has gone up. It is now selling at around $20.

This was on April 20. The price increase was announced in this house on April 15. There is something fishy about the whole thing, when a company asks for a price increase on the 15th, or is granted an increase on the 15th—at least it was announced then; we do not know when it was granted, because evidently it was done behind closed doors—and five days later the price of the stock goes up to 20.

Mr. ILSLEY: It did not go up in those five days.

Mr. ZAPLITNY: Well, it was at 20 on that date.

> That is, within three months these favoured few have seen the stock rise $5 per share, which on the 38,000 shares which they got on option, now represents a profit of $190,000. "By selling their stock," the *Free Press* observes, "they can get that money. And what is more they will not be liable to the payment of a dollar of income tax—

Mark this; it is very important.

> —because that is capital gain, not a profit."

That is a pretty skilful way of evading the payment of income tax and making a little ready cash. I think the minister should explain to this house how it was possible for the Massey-Harris company to manipulate its stock in such a way as to give its officers a profit of $190,000 which is not taxable.

Mr. ILSLEY: Its wage-earners, just as much as its officers.

Mr. FRASER: The people you are concerned with. You are begrudging the employees a profit.

Mr. ZAPLITNY: Just a minute; don't try to give me that kind of story, because it says here very plainly, "these favoured officers."

Mr. GRAYDON: One of those officers started as a newsboy in Toronto.

Mr. ZAPLITNY: I am not going into the family tree of every officer of the Massey-Harris company just in order to satisfy the hon. member. The point is that this company manipulated its stock in such a way as to make available to its officers $190,000 on which they need not pay income tax, and that is the same company which came to the government weeping crocodile tears and asking for an increase in the prices of farm implements. That is something which will have to be explained.

Then I should like every hon. member to realize that when a price increase is permitted to a manufacturing industry, that increase goes on all its products and affects all consumers. If there is an increase in the cost of production in a manufacturing industry they can absorb that by increasing their price again, passing that increase on to the consumer. In other words, the man who finally pays the increased price is the consumer of the goods. In this case it happens to be the farmer. In other cases it may be the worker, the pro-

fessional man or anyone else. Therefore it is necessary for all hon. members, including private members sitting on the government side, to make their opinions known and their influence felt in this house on behalf of the workers and the farmers, because in the last analysis they are the consumers, who cannot pass on any price increase to anyone else. They have to take it right on the pocket-book; they have to be the cushion for the shock. I believe private members on the government side should say just where they stand, whether or not they are in favour of letting these price increases go through without protest. I was amazed when the hon. member for Provencher (Mr. Jutras) took the tack he did the other day in this house. He attempted to scold the hon. member for Cape Breton South (Mr. Gillis) and the hon. member for Qu'Appelle because one had spoken in support of the farmers and the other in support of the industrial workers. There is nothing strange about that. If the hon. member were to participate in some of the conventions of the party with which I am associated he would not be at all amazed that one member should speak up for the farmers and another for the workers, because in this party we accept farmers and workers as the people of Canada, and we try to represent the interests of both labour and the farmers. We do not go to the west among the farmers and give them one story, and then to the east among the workers and give them a different story, which have been the tactics of some hon. members who now sit on the other side of the house.

Mr. FRASER: Then your policy has changed since 1943.

Mr. ZAPLITNY: We did not change our name, as you did.

Mr. ILSLEY: Would my hon. friend mind moving the adjournment of the debate, in order that I may make a motion before six o'clock, or is he finished now?

Mr. ZAPLITNY: Very well; I move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

SUSPENSION OF STANDING ORDER 28

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

That the provision of standing order 28 in relation to Mr. Speaker leaving the chair without question put for the house to go into committee of supply be suspended for the sitting on Thursday, May 23, 1946.

Mr. BRACKEN: I understand this is to come within the rules and make it possible to continue this debate to-morrow?

Mr. ILSLEY: That is right.

Mr. BRACKEN: Speaking for this party, we are entirely in favour of this procedure. Might I ask if some consideration has been given to whether or not this will pass if it is protested?

Mr. ILSLEY: Unless there is unanimous consent we cannot pass it.

Mr. BRACKEN: Does it require unanimous consent to-morrow?

Mr. ILSLEY: No; just now.

Mr. BRACKEN: Then you have our consent.

Mr. MacINNIS: And you have the consent of this group also.

Motion agreed to.

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

Thursday, May 23, 1946.

The house met at three o'clock.

HOUSE OF COMMONS

STATEMENT OF MR. SPEAKER ON DELETION OF VOTE IN COURSE OF DIVISION, MAY 22

Mr. SPEAKER: When the house divided yesterday on Mr. Cockeram's motion for production of certain papers, Mr. Bracken (Leader of the Opposition) rose from his seat and his name was called by the Clerk Assistant and recorded by the Clerk, who repeated Mr. Bracken's name. This repetition of a member's name is an announcement to the house that the member's vote has been recorded. The Clerk is sworn to record the *res gestae* on things done in the house. When another member's vote, namely Mr. McGregor's, had been recorded and duly announced, Mr. Bracken rose again and stated he had voted inadvertently as he had been paired with the Prime Minister (Mr. Mackenzie King) during the latter's absence in England. He suggested that his vote be deleted, and the Acting Prime Minister (Mr. Ilsley), the leader of the house (Mr. Mackenzie), and several other members agreed that this should be done. No opposition being taken, the Clerk then rubbed off the mark he had made opposite Mr. Bracken's name, which was not included in the division list.

The Clerk's action was not a new departure. Bourinot, 4th edition, page 382, says:

In the Canadian Commons the Clerk at the table has been on more than one occasion allowed to strike off the name of a member who is recorded and then admits having been paired.

In 1926, when Mr. Bird voted though he had been paired, he announced his error after the result of the division had been given out and the Speaker had declared the motion carried. There was no possibility at that time of making any correction and the Speaker was right in refusing to allow that the vote be withdrawn. The Speaker then said:

The rule is that when a vote has been recorded, when the result has been proclaimed and when the motion has been declared carried or lost, that expresses the judgment of the house.

—and he refused to entertain Mr. Bird's request that the recorded vote be deleted. Had Mr. Bracken's request been made after the house's decision had been declared by the Speaker, it would certainly have been refused, but I see no objection in having his name struck out immediately after he had inadvertently voted.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Mr. Speaker, if I may say so, by consent of the whole house, I am sure that the conduct of the leader of the opposition was of the most honourable kind.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, if I may, I would like to compliment you upon making a most intelligent ruling on the incident. If the time ever comes when the rules of this house preclude the withdrawal of an inadvertent vote when the obvious intention was clear, it is time that the rules were altered. I compliment Your Honour upon your decision.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, as the member who raised the question yesterday, may I say that I did so only to have the rules clarified. I too am satisfied with your ruling.

PRIVILEGE

REFERENCE TO PRESS REPORT OF STATEMENT BY CHAIRMAN OF WARTIME PRICES AND TRADE BOARD

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, may I crave your indulgence and the indulgence of the house to rise on a question of privilege which affects the rights of every member of this house.

In the press of yesterday and this morning appears a press release by Donald Gordon, chairman of the wartime prices and trade board, which reads in part as follows:

[Mr. Speaker.]

Asked to comment on allegations that the wartime prices and trade board used gestapo methods in the course of its enforcement activities, Donald Gordon, chairman of the wartime prices and trade board, stated bluntly to-day that such statements were utter nonsense.

Further he stated:

On the other hand we have this type of wild accusation about gestapo procedure.

Further he stated:

I resent strongly the use of the word "gestapo" and I do not propose to let it pass without expressing my objection to such loose and improper language.

These remarks by Mr. Gordon refer to a speech made by myself in this house on May 21, reported at page 1726 of *Hansard*. The press statement adds:

Mr. Gordon was commenting on remarks made in the Commons last night by G. S. White, Progressive Conservative member for Hastings-Peterborough.

We in this chamber, Mr. Speaker, are members of parliament sent here by the people to represent them. In the discharge of this high duty the most valuable right which we possess is our freedom of speech in debate. It is a right which we must ever be jealous to guard; for it is the foundation of our effectiveness as members here. Its fundamental importance is recognized in the immunity which we are given from legal action for any statement made in this chamber. I must submit, sir, that our independence in this chamber should include complete freedom from attack, abuse or censure from any paid public official whom we may happen to mention in the course of our duties in debate here. I construe Mr. Gordon's statement as an admonition to me, a representative of the people, that I must not again in the terms I use or in any other way express my views of his administration in terms objectionable to himself.

I resent any such admonition or any attempt by Mr. Gordon to dictate the language to be used in this chamber. I regard it as high impertinence and an insolence directed against every member of this house. The proper person to answer any attack made upon any branch of the public service in this house is the responsible minister. It will be a most serious thing if the time ever comes when a member of parliament before criticizing a branch of the public service, must first consider the abuse which he may draw down upon himself from the officials of that service.

I have no intention, Mr. Speaker, of being instructed or lectured in any way by Mr. Gordon, a public servant. The remarks made by Mr. Gordon are simply a further indication of the gestapo methods of the chairman of the wartime prices and trade board in attempting

to castigate a member of parliament. The language I used was neither loose nor improper, but accurately and justly described the actions of the officials who operate under the direction of Mr. Gordon. Apparently Mr. Gordon is above the government and the minister who administers the department under which the board is placed.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member has stated his point of privilege, and I do not think he should go on, upon a question of privilege, to reflect on members of the government.

Mr. WHITE (Hastings-Peterborough): I am not reflecting on the government. This is the only opportunity I have to answer Mr. Gordon, and I submit that this is the proper place for me to answer him. I have only one further sentence to add, and it is this: I submit it is high time that the chairman of the wartime prices and trade board was reminded that he is a public servant and not supreme czar.

Right Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, I heard the hon. gentleman use the word "gestapo" the other day, and I was remiss in my duty in not rising at once in my place and objecting to the use of that language. When conscientious and responsible officials of the public service are called by such names as "nazis" or "Hitlers" or "gestapo", I will not, with regard to any officer in my department, object to their taking public exception to that type of abusive language. The only thing for which I blame myself is for not having taken immediate exception to that abusive language. The only abuse which was used in this case by any of the parties concerned in it was that involved in the use of the term "gestapo" by the hon. member for Hastings-Peterborough (Mr. White).

Mr. FERGUSON: And was it correct?

Mr. HOMUTH: Mr. Speaker—

Some hon. MEMBERS: Oh, oh.

Mr. HOMUTH: This sort of quacking from the far end of the house is heard very often. Let me say to the little minds down there that if their mentality is the mentality of waddling ducks I wish they would not express it here.

Mr. SPEAKER: Order. To what is the hon. member speaking?

Mr. HOMUTH: A question of privilege.

Mr. SPEAKER: Is the hon. gentleman rising on a question of privilege?

Mr. HOMUTH: I rise on a question of privilege, and, as an elected member of the house, I register my opposition and, may I say, my disgust at the fact that a member of the cabinet, who in the absence of the Prime Minister (Mr. Mackenzie King) is leading the government, states that he has omitted to do something, in the place he occupies, where it ought to have been done, with regard to something which was said in this house, but he is quite prepared to allow somebody else, a servant of this house, to answer for him. I say—

Some hon. MEMBERS: Order.

Mr. HOMUTH: I am not to be stopped by that kind of thing. This is a question of privilege.

Mr. MACKENZIE: Where is it? What is the privilege?

Mr. HOMUTH: The privilege of an elected member as against that of someone who is appointed by the government.

Mr. SPEAKER: I would call the attention of hon. members to the fact that, while it is their right to rise on a question of privilege, they should state what it is, without going into unnecessary detail. A statement on a question of privilege should be brief and to the point.

Mr. HOMUTH: Mr. Speaker, for the first time in my political life in Ottawa I agree with the hon. member for Temiscouata (Mr. Pouliot), when he says that the government no longer governs. There is a bureaucracy in control.

Mr. QUELCH: May I refer to the point of privilege which was brought up by the minister just now? I should like to remind him that he is to a very large extent responsible for the term "gestapo" being used in connection with the wartime prices and trade board.

Mr. SPEAKER: Order. I will not permit any debate. There is nothing before the house.

RAILWAYS AND SHIPPING

REFERENCE OF CERTAIN ITEMS TO COMMITTEE OF SUPPLY

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

That items Nos. 422, 423 and 469 of the estimates for 1946-47, approved and reported upon by the sessional committee on railways and shipping owned, operated and controlled by the government, be referred to the committee of supply.

Motion agreed to.

RAILWAY ACT

TRAINS OR CARS MOVING IN REVERSE OVER HIGHWAY CROSSINGS

Hon. LIONEL CHEVRIER (Minister of Transport) moved for leave to introduce bill No. 138, to amend the Railway Act.

He said: The object of this bill is to amend section 310(1) of the Railway Act so as to permit a locomotive or its tender moving in reverse to eliminate the posting of a man in the front of the locomotive or tender while it is crossing a highway at rail level. The amendment has been sought for many years by the railway brotherhoods. It has received the approval of the board of transport commissioners and I hope it will commend itself to the house. There is a similar amendment with reference to section 421 of the act, *mutatis mutandis*.

Motion agreed to and bill read the first time.

TRANSPORT STORES

AMENDMENT TO INCREASE ANNUAL MAXIMUM INVENTORY VALUE

Hon. LIONEL CHEVRIER (Minister of Transport) moved for leave to introduce bill No. 139, to amend the Department of Transport Stores Act.

He said: The object of this bill is to amend the Department of Transport Stores Act so as to increase the inventory of stores at the end of each fiscal year from $1,250,000 to $1,600,000. This increase has been made necessary because of the expansion of certain activities in the Department of Transport.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*STANDARDIZATION OF DEFENCE EQUIPMENT

Mr. SKEY:

What steps have been or are being taken by the government to ensure that a fair proportion of military and civilian defence equipment accepted for standardization by the United States and Canada will be produced or manufactured in Canada?

Mr. LAPOINTE: The hon. member has indicated that he wishes to have this question answered orally. The answer is: At any time when policy may require the adoption of new defence equipment of a common standard with the United States, as well as with the British commonwealth, it is understood that arrangements will be made for production in Canada of any items which may lend themselves economically to Canada's manufacturing resources. For example: in the case of automotive equipment, it is proposed that any basic designs which may in future be adopted will be adapted to meet the techniques and facilities of Canadian industry.

May I add that in view of present adequate stocks, occasion has not yet arisen for specific arrangement for the production of new equipment.

EXPORTS OF LUMBER

Mr. FLEMING:

What was the volume of Canada's exports of lumber of all kinds, by countries (a) by measurement; (b) by price, in 1945 and to date in 1946?

Mr. MacKINNON: (a) and (b). See statement below.

Statement showing Canada's exports of lumber of all kinds, by countries, during the calendar year 1945 and the four months ended April 30, 1946

Country	Calendar year 1945		Four months ended April 30, 1946	
	M. ft.	Value	M. ft.	Value
United Kingdom	865,836	$38,647,395	175,202	$ 7,576,764
Eire	2,152	82,582	1,197	50,079
Aden	—	—	120	12,130
British South Africa	59,124	3,730,562	23,975	1,937,676
Southern Rhodesia	4,514	237,014	2,167	164,250
Bermuda	722	51,012	129	7,186
British India	895	36,495	—	—
Ceylon	152	20,410	—	—
Straits Settlements	—	—	171	10,730
British Guiana	511	38,333	406	34,606
British Sudan	—	—	171	17,272
Barbados	4,517	285,869	1,676	101,141
Jamaica	3,233	201,092	1,163	65,305
Trinidad and Tobago	5,356	380,048	1,433	98,964

Country	Calendar year 1945 M. ft.	Calendar year 1945 Value	Four months ended April 30, 1946 M. ft.	Four months ended April 30, 1946 Value
British West Indies, other	2,699	176,865	1,077	79,340
Gibraltar	153	11,581	—	—
Hong Kong	359	21,969	378	19,319
Malta	4,574	401,555	312	18,725
Newfoundland	4,899	364,369	639	49,331
Australia	61,764	2,489,110	14,569	616,038
Fiji	1,733	82,121	765	30,074
New Zealand	4,455	216,410	1,554	67,560
British Oceania, other	4	520	—	—
Palestine	1,774	155,582	508	40,819
Argentina	—	—	3,340	140,425
Belgium	684	37,672	2,806	133,047
China	—	—	11,920	579,164
Cuba	56	2,886	—	—
Greenland	3,240	173,106	—	—
Egypt	1,222	56,122	4,750	213,613
France	968	67,676	7,341	545,032
French West Indies	50	2,939	—	—
St. Pierre and Miquelon	225	11,780	40	2,873
Iceland	6,548	439,269	291	16,429
Iraq	504	45,409	840	69,087
Italy	898	55,553	—	—
Mexico	5	636	3,391	117,541
Netherlands	1,279	64,476	5,862	241,283
Netherlands West Indies	59	3,794	81	6,709
Persia	2,209	100,349	339	14,784
Portuguese Africa	46	1,897	1,259	63,700
United States	929,111	50,201,375	294,151	16,463,889
Alaska	659	26,775	66	3,150
Puerto Rico	159	11,961	18	1,384
Uruguay	—	—	560	29,345
Total Exports	1,977,348	$98,934,569	564,675	$29,638,764
British Empire	1,029,426	$47,630,894	227,620	$10,997,309
Foreign Countries	947,922	$51,303,675	337,055	$18,641,455

MEDICINE HAT PRISONER OF WAR CAMP—PLUMBING MATERIALS

Mr. WYLIE:

1. Are any unused plumbing materials stored at the prisoner of war camp at Medicine Hat, Alberta?

2. If so, how many, if any, unused bath tubs and sinks are stored there?

3. What is the value of such material?

4. What steps have been taken to dispose of such material?

Mr. LAPOINTE:

1. Yes.

2. Sixty used but serviceable, cast iron, enamelled, flat rimmed sinks, size 16 inches by 24 inches.

3. $540, approximately.

4. None. It is intended to utilize these sinks in proposed construction and alteration of reserve army buildings.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXPORT OF PULPWOOD

Mr. HATFIELD:

1. Is the export of pulpwood controlled by exit permit requirements?

2. How many cords of (a) spruce pulpwood; (b) balsam pulpwood were exported under permit to the United States during each of the years 1942 to 1945, inclusive from (1) New Brunswick; (2) Quebec; (3) Ontario; (4) Nova Scotia; (5) Manitoba; (6) Saskatchewan?

3. What was the total pulpwood production in cords during the 1944-45 season for Canadian pulp and paper manufacturers in (a) New Brunswick; (b) Quebec; (c) Ontario; (d) Manitoba; (e) Nova Scotia?

4. What has been the total pulpwood in cords exported during 1945-46 season to date to the United States from (a) New Brunswick; (b) Quebec; (c) Ontario; (d) Manitoba; (e) Saskatchewan?

5. How many cords of pulpwood were exported in each of the years 1942, 1943, 1944 and 1945, to mills in (a) Minnesota; (b) Wisconsin; (c) Michigan; (d) Ohio; (e) Pennsylvania; (f) Maine?

HOUSING

Mr. FLEMING:

1. How many housing units were built and completed for occupancy between May 8, 1945 and May 8, 1946?

2. How many of that number were constructed (a) under part I of the National Housing Act; (b) under part II of the National Housing Act; (c) under part III of the National Housing Act; (d) by the Veterans Land Administration; (e) by Wartime Housing Limited; (f) by Housing Enterprises Limited?

3. Up to May 8, 1946, under the National Housing Act, 1944 (a) how many contracts have been entered into under part I? (a) What is the total number of houses for which loans have been authorized under part I? (c) How many of such houses have been completed and are now occupied? (d) What is the total amount of the loans authorized under Part I? (e) How many contracts have been entered into under part II of the Act? (f) What is the total number of rental housing projects for which loans have been authorized under part II? (g) How many of such rental housing projects are low-rental housing projects? (h) How many of such rental housing projects have been completed and are now occupied, and how many of them are low-rental housing projects, and where are they located? (i) What is the total amount of the loans authorized under part II? (j) How many limited dividend corporations have been recognized as qualified to receive loans under section 9 of the act? What are they, and where are they authorized to operate rental housing projects? Which ones are institutional housing corporations, and which are institutional holding companies? (k) Which of such limited dividend housing corporations have received loans under part II? (l) (1) To how many municipalities have grants been made pursuant to section 12; (2) what are the individual amounts of such grants and what municipalities respectively received them; (3) what are the other terms, if any, of the said grants? (m) (1) How many municipalities have applied for grants pursuant to section 12; (2) how many have been refused; (3) how many of such applications are still pending? (n) How many contracts have been entered into under part III? (o) (1) What is the total number of houses for which loans have been authorized under part III;' (2) how many of such houses have been completed and are now occupied? (p) What is the total amount of the loans authorized under part III? (q) How many contracts have been entered into with manufacturers of plumbing and heating equipment or other component parts of houses, pursuant to section 15? (r) How many payments have been made under part IV, and what is the total thereof? (s) What studies and investigations, planning and research have been carried on under part V? (t) What expenditures have been made pursuant to part V out of the $5,000,000 authorized by parliament in 1945, under section 27A?

Mr. FLEMING:

1. How many houses have been completed for occupancy up to May 8, 1946, by Wartime Housing Limited?

[Mr. Hatfield.]

2. (a) What expenditures have been made to May 8, 1946, by Wartime Housing Limited; (b) has any portion thereof been expended otherwise than on houses? If so, what portion and on what?

3. (a) How many houses are under construction by or for Wartime Housing Limited; (b) in what municipalities are they located?

4. (a) How many other houses has Wartime Housing Limited contracted for; (b) in what municipalities are they to be located?

5. When is it estimated that all such houses will be completed and ready for occupancy?

6. (a) How many of the completed houses have cellars, and how many have no cellars; (b) how many of those yet to be completed will have cellars, and how many will not?

7. What quantities of building materials of all kinds has Wartime Housing Limited on hand?

8. (a) How many persons are employed by Wartime Housing Limited; (b) who among such persons are in receipt of salaries of $3,000 per annum, or more, and who are they, and what services do they perform; (c) what is the monthly payroll of Wartime Housing Limited?

CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. FLEMING:

1. On what date or dates have the three parts of the Central Mortgage and Housing Corporation Act come into force?

2. Who have been appointed as officers and directors of Central Mortgage and Housing Corporation, and on what dates and at what remuneration?

3. Where do such officers and directors respectively reside?

4. What are their respective qualifications for appointment?

5. How many meetings of the corporation have been held, and on what dates, and who were present at each?

6. How many meetings has the board of directors held, and on what dates, and who were present at each?

7. Who are the members of the executive committee, and when did they take office as such?

8. How many meetings has the executive committee held, and on what dates, and who were present at each?

9. How many employees has the corporation?

10. (a) How many offices has the corporation; (b) where are they located; (c) how many persons are employed in each?

11. (a) What scale of salaries and wages and pension or superannuation benefits has been established for officers and employees; (b) what is now the monthly payroll: (c) does the board of directors contemplate further extension of staff and payroll?

12. What expenditures have been made by the corporation, and for what purposes?

13. What steps have been taken and expenditures made by the corporation on research, and on what types of research?

VETERANS AFFAIRS—LEGAL SERVICES—
W. C. THOMSON, K.C.

Mr. LENNARD:

What remuneration was received by or is owing to W. C. Thomson, Esq., K.C., of Toronto, for work performed for the dominion government while acting for the Department of Vet-

erans Affairs from January 1, 1945 to December 31, 1945, in the way of (a) salary; (b) fees; (c) commissions; (d) expenses?

APPLE CROP

Mr. BLAIR:

1. What was the value of the apple crop in (a) Ontario; (b) Quebec; (c) British Columbia; (d) Nova Scotia, in each of the years 1939-1944 inclusive?

2. How much was paid by way of subsidies on apples in each of said provinces during each of said years?

JOSEPH NICHOLISAN PLANIDIN

Mr. DIEFENBAKER:

1. Is Joseph Nicholisan Planidin of Blaine Lake, Saskatchewan, in the employ of the government overseas?

2. If so, in what capacity?

3. What are his duties and salary?

4. Who recommended him?

AEROPLANES

Mr. POULIOT:

1. How many aeroplanes were the property of the Canadian government on May 8, 1945?

2. How many are owned by the government at present?

3. Have all the planes belonging to the Canadian government that were in other countries at the end of hostilities, been brought back to Canada?

4. If not, for what reason?

5. How many planes mentioned under No. 3 have not been brought back to Canada?

6. Have they been sold?

7. If so, how many, to whom and at what price?

8. Was the price of said planes paid in cash?

9. If not, for what reason?

RADIO BROADCASTING

APPLICATION OF C.B.C. FOR WAVE LENGTHS OF CFRB AND CFCN

On the orders of the day:

Mr. A. L. SMITH (Calgary West): I wonder if the parliamentary assistant to the Minister of Reconstruction and Supply will answer the question he said he would take notice of yesterday.

Hon C. D. HOWE (Minister of Reconstruction and Supply): The question was directed to the minister and perhaps I had better answer it. The answer is yes.

Mr. COLDWELL: I should like to direct a question to the minister arising out of the affirmative answer he has given to the member for Calgary west. Are the licences given to private stations issued as permanent licences, or are they on an annual basis, terminable at the pleasure of the government?

Mr. HOWE: All licences are issued annually, for the current fiscal year only. With regard to class 1-A wave lengths, which are wave lengths permitting unlimited power, the following endorsation is included in the licence:

The frequency of ... Kc/s per second being a clear channel is definitely reserved for the national system of broadcasting and this station is authorized to use this frequency provisionally until such time as it may be required for and assigned to the Canadian Broadcasting Corporation.

Mr. COLDWELL: What stations are covered by such an agreement?

Mr. HOWE: I think we have eight clear channels, but I am not sure that I can name them all. There are two in Toronto. One is used by a government station and the other is owned at the present time by a private company. I do not remember the wave lengths of either. There is one in Montreal used at the present time by the Canadian Broadcasting Corporation. There is one in Winnipeg used at the present time by the Manitoba telephones. There is one in Alberta used at the present time by a private station. There is one in Watrous, Saskatchewan, owned by the Canadian Broadcasting Corporation, and there is one at Sackville, New Brunswick, which is also a C.B.C. station.

BUILDING MATERIALS

INQUIRY WITH RESPECT TO PRIORITIES

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): I wish to direct a question to the Minister of Reconstruction and Supply. Is the government contemplating the issuance of any further order or orders providing for priorities with respect to building materials?

Hon. C. D. HOWE (Minister of Reconstruction and Supply): What the government intends to do is a matter that must be made known in due course. I may say that I have no new orders in mind, but I may have something in mind to-morrow.

CANADIAN ARMY

ALDERSHOT MILITARY CAMP—JUNIOR PERMANENT FORCE OFFICERS

On the orders of the day:

Mr. P. C. BLACK (Cumberland): Is the Minister of National Defence yet in a position to make a statement regarding the retention of Aldershot military camp for permanent force training for the army?

Hon. DOUGLAS ABBOTT (Minister of National Defence): I thank my hon. friend for asking the question. I have had similar

inquiries and representations from the Minister of Finance, the senior member for Halifax, and, I believe, most if not all of the Nova Scotia members and senators with respect to the future of Aldershot camp. The question arose, I believe, in consequence of some press dispatch, which I did not see, to the effect that training of the permanent force was to be centralized in Ontario or Manitoba. That is not accurate. The active force will include the brigade group, field units, training schools and establishments, the usual static units at district headquarters, and so on. These are to be spread across Canada. I do not recall how many schools there are, but there are several of them. One will be located at Dartmouth, Nova Scotia—an artillery school; and others will be located right across Canada: one in British Columbia, some in the prairies, some in Ontario and, I believe, in Quebec. Aldershot camp was not used before the war as a permanent establishment where troops were quartered the year round. It will not be so used after the war. In that respect it will be in the same position as Petawawa, Ipperwash, Dundurn, Farnham, Utopia and a number of others. These camps will be used in the summer months for the training of the reserve army, and no doubt a skeleton staff will be kept there the year round. So far as the permanent force units are concerned, they will be located where there are permanent quarters. Before the war in Nova Scotia that was and will continue to be Halifax and Dartmouth.

After receiving notice of this question from several hon. members I went into the matter rather carefully. I found that the total permanent force strength in military district No. 6, Nova Scotia, will be in the vicinity of 1,200 men as against about 500 before the war. The same plan will be followed there as throughout the rest of Canada. Aldershot is to-day and will continue to be the principal training centre for the reserve army in Nova Scotia.

Mr. HAZEN: May I ask whether any of he permanent forces will be maintained in New Brunswick?

Mr. ABBOTT: There will be, but I cannot give my hon. friend the numbers at the moment.

Mr. PEARKES: May I direct a supplementary question to the minister? Does he include the units of the brigade group when he refers to them as being spread across Canada?

Mr. ABBOTT: Yes, that is correct.

[Mr. Abbott.]

Mr. KIDD: Is the minister in a position to answer the question I asked on May 21 with reference to junior permanent force officers?

Mr. ABBOTT: I can answer that, Mr. Speaker. The hon. member asked me the following question:

Could the discharge of the junior permanent force officers in the army be deferred or held up until such time as appointments in the service can be assured in their branch or some other branch of the service?

I do not know exactly to which type of permanent force officer the hon. member is referring. I assume he means a number of permanent force N.C.O.'s who received their commissions during the war.

Mr. KIDD: That is right.

Mr. ABBOTT: These commissions are not permanent force commissions; they are temporary commissions granted for war only. A thousand and some odd former permanent force non-commissioned officers received commissions during the war, some going as high as major and lieutenant-colonel. In the reorganization of the army some of these officers are not suitable, because of age or otherwise, for the post-war army; therefore the answer to my hon. friend's question must be in the negative.

Mr. FERGUSON: I should like to direct a further question to the Minister of National Defence. Are the outstanding facilities at Camp Borden to be utilized in the training of branches of the permanent force?

Mr. ABBOTT: Yes; Camp Borden is one of the principal permanent force establishments, and always has been.

ESSENTIAL COMMODITIES

INQUIRY FOR LIST OF GOODS AND MATERIALS IN SHORT SUPPLY

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Will the Minister of Finance, at as early a day as possible, make a statement to the house giving a list of every essential commodity in Canada at present in short supply?

Right Hon. J. L. ILSLEY (Minister of Finance): I do not really know how to answer that question. With regard to some commodities it would appear to me to be a matter of opinion as to whether they are in short supply or not. What the hon. member is asking for is a very difficult thing to do. I do not think I can undertake to do it. If the hon. member would like to put the question on the order paper I shall do the best I can with a written answer.

COAL

USE OF BIENFAIT MINES TO ASSIST IN MEETING SHORTAGE

On the orders of the day:

Mr. E. G. McCULLOUGH (Assiniboia): On May 21 I directed a question to the Minister of Reconstruction and Supply referring to the use of the Bienfait coal mines. The parliamentary assistant to the minister asked that the question be allowed to stand so that the minister could make a reply. Is the minister now in a position to reply?

Hon. C. D. HOWE (Minister of Reconstruction and Supply): I proposed to make a statement on the coal situation to-day, but in view of possible developments in the United States, which will affect the Canadian situation very materially, and which may take place within the next twenty-four hours. I have deferred the statement until either tomorrow or Monday. I shall try to deal in that statement with the situation in the western Canadian mines.

SUPPLY

PRICE CEILING POLICIES WITH RESPECT TO FARM PRODUCTS

The house resumed from Wednesday, May 22, consideration of the motion of Mr. Mackenzie that the house go into committee of supply, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mrs. Strum.

Mr. F. S. ZAPLITNY (Dauphin): When the house rose last evening I was endeavouring to point out that this group have been carrying on this debate in the hope of getting a better deal for the farmers and the workers of this country. I also invited the private members who support the government to give us their opinion as to whether or not they approve the actions of the government in relation to its price ceiling policy up to the present.

In the short time remaining at my disposal I should like to put a few constructive proposals before the government and the house, in order to establish that we are not here merely to criticize, although we do not pull any punches when criticism is necessary, but also to propose steps to the government and to the house which we feel would be for the benefit of the people. I have five points which I should like to place on the record by way of indicating a certain line of action which in my opinion will meet with the approval of the great majority of the people of Canada.

My first point is that the government should permit increases in the prices of farm products and fish in relation to the cost of production. In view of the action of the wartime prices and trade board, authorized by the government, in permitting certain increases in the prices of manufactured articles—I do not need to go through the very long list of articles concerned—I do not think anyone in this house will deny that it is now necessary to give consideration to an increase in the prices of certain farm products and fish.

My second point is that the government should permit an immediate increase in all substandard wages. While in some instances wages went up during the war, wages in many other occupations are far below the standard. and there is necessity for an immediate increase in these wages in order that the people concerned may make both ends meet.

The third point I suggest is that a floor price of $1.55 per bushel be placed under wheat for the next five years, with comparable floors under other farm products, fish, and wages. There has been a great deal of talk in this house over the contention that the ceiling on wheat should be raised. While I believe that is true to a certain extent, what the farmer wants and needs for the next five years is not so much a ceiling pegged at a high level but some certainty as to what is going to be the floor price. At the present time provision is made for a floor price of $1 per bushel for the next five years. If the present trend is to continue, the cost of production will be such that $1 per bushel simply will not be sufficient, so I think the government should not hesitate to increase the floor price to the figure I have mentioned, in view of the world situation, the possibilities of markets, and the prices of other articles.

My fourth proposal is that the government increase the income tax exemption to $2,000 for married persons and $1,200 for single persons. My reason for offering this proposal is obvious from what has gone before. The purchasing dollar to-day does not buy what the purchasing dollar bought two years ago. A single person with an income of $1,000 or $1,200 is not able to provide the necessities of life and at the same time pay income tax. A married man receiving $2,000 or less, with the cost of living as it is and as it seems likely to be for quite a while, certainly is not able to maintain a family and at the same time contribute by way of income tax.

My fifth proposal is that pensions to the aged and the blind be increased sufficiently to compensate for the increased cost of living. The reason for that also is obvious. This is

the class of people who, as I think all hon. members will agree, have been hit hardest by the rising cost of living, because they are attempting to live—in some cases merely to exist—upon fixed incomes. They cannot go on strike and ask for higher pensions. They cannot organize and refuse to sell their produce. Evidently they cannot lobby the government with any success. Therefore it is up to the members of this house to show their appreciation for our old people who pioneered this country and made it what it is, and their consideration for the unfortunate people who are suffering from blindness and other disabilities. These people should have their pensions increased immediately in order to meet the increased cost of living.

I do not advance these proposals merely, so to speak, to put the government on the spot, but because I feel they are legitimate demands which the people of this country were led, during the last election campaign, to believe would be met. I am not going to rehash what was said at that time; I need only mention the fact that during that campaign there was a great deal of talk about the new social order. Pamphlets and other literature were printed and distributed to the people in which they were told that never again would this country go through what we experienced during the hungry thirties; never again would we suffer from lack of social security, and so on. I do not say these promises were made only by the party now in power; every party represented in this house had such things somewhere in its programme. But it happens that the party across the way, the Liberal party, is in power at the present time, and it is the only party which can do these things for the people.

In order that hon. members may not think I have concocted a synthetic set of proposals out of my own head, I should like to read a resolution which was submitted to me by an agricultural society at Ethelbert, Manitoba, in my constituency. The farmers who belong to this society do heavy work; they are not the sort of farmers someone to my right mentioned the other day, who work six months a year and spend the other six months in California. I am sure not one member of this society has ever seen Florida or California, or ever hopes to do so. Here is what they say:

Whereas the members of the Ethelbert agricultural society have always been in favour of stabilization of prices of farm produce at a fair price to the producer, provided that the things the farmer has to buy are kept at a reasonable price.

Whereas the prices of many commodities the farmers have to buy have risen considerably, and the prices of farm products have not increased correspondingly.

It is therefore resolved that this society go on record as:

1. Deploring the action of the dominion government in allowing an increase in the price of farm implements;

2. Recommending that the dominion government reconsider its decision to permit an increase in the price of farm machinery, or take immediate steps for a general increase of all farm products corresponding to the increased cost of production.

I could go on and quote resolutions of the same sort from other farm organizations and labour unions, in which they point out that if they are to be asked to help maintain the price stabilization policies of this country, in return they have a right to expect some security and fairness of treatment; in other words that the load will not be placed upon the low income groups of this country. That is the stand we take on this side of the house. I believe this debate has brought out what I said in my opening remarks yesterday; that is, that if the government had taken this house into its confidence; if it had brought before the house this question of raising price ceilings and making certain unannounced adjustments, giving the members of this house an opportunity to express their opinions and give their advice in good faith, it could have saved itself a great deal of trouble and could have won the respect and support of the great majority of the people of this country. As it is to-day the government have sowed seeds of distrust in the minds of the people. To-day no one in the country feels secure, because they believe the whole price control structure is built upon sand, so to speak, which may be washed away at any time. I think it is high time the government did something to restore the faith of the people of this country in the principles of fairness in connection with price controls.

Mr. J. A. ROSS (Souris): Mr. Speaker, knowing the hon. member for Qu'Appelle (Mrs. Strum) as I do, and having a knowledge of her constituency, I am inclined to believe that in presenting her subamendment the hon. member has been the victim of the C.C.F. board of strategy. May I just read the amendment which was moved by the leader of the official opposition (Mr. Bracken) on May 6:

This house is of the opinion that the government's price ceiling policies with respect to farm products are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

The debate was then adjourned by the hon. member for Qu'Appelle, and she then presented the following subamendment:

This house is of the opinion that the government's policies of permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in imposing on food

producers and workers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

An hon. MEMBER: What is wrong with that?

Mr. ROSS (Souris): All that is wrong with that is that she entirely approves the present price ceilings on agricultural production.

Mr. COLDWELL: That is fantastic.

Mr. ROSS (Souris): Just a minute; she has made her speech, and many of her group have made speeches. I admit they have talked in as many different directions as they have had speakers, and have signified their support of the conditions in which the farmers find themselves. She has taken the meat out of the amendment, and eliminated the words:

> Price ceiling policies with respect to farm products are discouraging production of needed food.

Those words are taken out entirely. Their only grievance, according to the subamendment, is based upon the increase in the price of farm implements and steel. I have raised just as strenuous objection to that increase of 12½ per cent on farm implements as has any member in the house. I am not satisfied to stop there. I am dissatisfied with the price ceilings on the products of the farms to-day, as are a great many farmers at this particular time. May I emphasize that in that subamendment the group to my left approves these conditions in connection with price ceilings to-day. By the wording of the subamendment it would seem that they are satisfied with the recent increase in the price of gasoline in the prairie provinces, and with many other grievances; because they have taken the meat out of that original amendment and pinned their whole grievance to the increase in the price of farm implements, rightly or wrongly, after all that has taken place by way of protestations of various members to my left. In fact, if one wishes to follow that through, only a week ago, on May 16, we saw their leader rise in his place and protest against Mr. Speaker's ruling, taking the side of my colleague, the hon. member for Lake Centre (Mr. Diefenbaker), and then in almost the same breath voting the opposite way. I think we have to be careful about the wording of that upon which we are going to vote, despite protestations which are raised in the house.

So I say there are these many grievances which are bound to aggravate the situation from the point of view of agricultural production. I say distinctly that I for one am dissatisfied with the price of wheat to-day, with the price of beef, the price of hogs and of dairy products, as compared with the prices in any other of the united nations with which we were associated in the prosecution of the war.

As was so ably said by the hon. member for Lake Centre yesterday, great famines prevail in many parts of the world. We know little in Canada about the cost of this war—certainly not in the lack of foodstuffs. But rightly or wrongly, with the war over, many of these farmers are letting up on their production.

The hon. member for Provencher (Mr. Jutras) from my own province seemed to be quite satisfied with the plight of the farmers to-day. I know that he did not speak even for all the farmers in his own constituency, let alone for the province of Manitoba.

Recently the Canadian Federation of Agriculture, through their executive, asked the dominion government to make an adequate study of farm costs of production at the earliest possible day and to relate the findings to the incomes of other Canadians. The federation suggested that the study should be made with all speed, and they added:

> Agricultural prices cannot be fixed equitably, during the period in which they must be fixed, until the essential facts are known. Agricultural production cannot be increased unless the prices of farm products are reasonable in relation to costs and earnings of non-farmers . . . The simple quick way to achieve parity between farm and city workers is to permit farm prices to rise until the scales are balanced. Those who know something about farm earnings and incomes will agree that an immediate 50 per cent increase in farm prices would be necessary to bring farm hours into line with city hours.

Just the other evening, when my colleague the hon. member for Dufferin-Simcoe (Mr. Rowe) was speaking, the Minister of Finance (Mr. Ilsley) asked what "parity" is. I have heard him ask that many times. The minister did take a basis for organized labour, namely the years 1926-29, as parity. It is recognized throughout this country, of course, that there is considerable difference of opinion between the Minister of Finance and the Minister of Agriculture. I think it is conceded by those who follow current events that they do not see eye to eye. They are even far apart in some cases. But surely there should be agreement between the ministers and their parliamentary assistants. When we were debating this subject of parity on September 25, during the last session, the hon. member for Rosthern (Mr. Tucker) rose in his place and spoke for forty minutes on the subject, in an endeavour to point out that this governement was fighting to get the principle of parity prices

accepted and written into the statutes of Canada. That was the basis of his argument, which he continued for forty minutes. Yet, after all that, the Minister of Finance in this debate professed that he did not know what parity meant.

Mr. ILSLEY: I did not know what the hon. member for Dufferin-Simcoe meant by parity. That is why I was asking.

Mr. ROSS (Souris): More serious consideration should be given by the Minister of Finance and his colleagues to the most recent requests of the executive of the Canadian Federation of Agriculture. It is most important at this time.

The hon. member for New Westminster (Mr. Reid) rather surprised me the other evening. On most issues he and I have been in agreement, but I thought he was wrong when he was setting forth the satisfactory conditions pertaining in agriculture, and talked about production in different parts of Canada. He did not put all the figures on the record which may be found in government reports to-day respecting the production of beef, pork, dairy products and other matters which are most important in the production of food.

Wtih respect to my good friend from Dauphin (Mr. Zaplitny), who preceded me in the debate, may I say that his remarks of yesterday evening greatly surprised me when he attempted to misrepresent the statements of my colleague, the hon. member for Calgary East (Mr. Harkness). I interpolated a remark, and he said, and rightly, that I would have an opportunity to explain those matters later. He endeavoured to leave the impression that my colleague wanted all ceiling prices removed immediately. That is contrary to the facts. My colleague, speaking in this debate, said this among other things:

> Artifical controls are the essence of a socialistic state, and the people of this dominion demonstrated at the polls that they do not want a socialistic state as evidenced by their lack of support for hon. members to my left. So that I think we may take it for granted as something definite that everyone will admit that the majority of the people of this country are believers in free enterprise. In view of that fact, I think all believers in free enterprise, including the government, who profess so to believe, should now be bending their thoughts and energies toward the abolition of . . . those controls which were forced upon us during the war.

Mr. ZAPLITNY: I was following the quotation which the hon. member was reading. I should like to know why he left out the word "all" after the word "of". It says, "of all those controls". He did not read that.

[Mr. J. A. Ross.]

Mr. ROSS (Souris): Of all those controls. I presume that my friend and many of his colleagues, in order to put their philosophy into force, if they ever were in power and should then be of the same opinion as they are to-day, would have to continue many of these controls.

Mr. COLDWELL: Many of them.

Mr. ROSS (Souris): I hope I shall never be forced to live under that. Further I hope my family will never be called upon to live under that.

Mrs. STRUM: Does the hon. member speak for his party? Would his party do away with the wheat board and return the handling of wheat to the grain exchange?

Mr. COLDWELL: That is control.

Mr. ROSS (Souris): I am speaking for myself, and I think probably my party are of the same opinion. May I say that the hon. member's predecessor in the house could not be surpassed by any hon. member in his suport of the Canadian wheat board, and I always supported him on it.

Mrs. STRUM: The hon. member did not answer my question. Would he put the handling of wheat back into the hands of the grain exchange?

Mr. ROSS (Souris): I certainly would not. I have stated in this house on more than one occasion, and the hon. member and other members must have heard it if they were listening, that in March 1943 the then member for Qu'Appelle and I moved a resolution asking that the grain exchange be closed and that coarse grains as well as wheat be handled by the wheat board. I still stand by that.

Mr. ZAPLITNY: May I ask the hon. member a question?

Mr. ROSS (Souris): I do not mind questions, but my time is limited, and the hon. member has already made a forty-minute speech.

Mr. SPEAKER: Order. No hon. member should interrupt the hon. gentleman who has the floor.

Mr. ROSS (Souris): I should like to make reference to the argument made by the hon. member for New Westminster (Mr. Reid), who put a lot of statistics on the record. I have statistics here, which I shall not put on the record, but which were gathered by the bureau of statistics and appear in the *Agricultural Review*, put out under the Department of Agriculture. These statistics show that the

slaughtering of hogs in 1945 decreased by 35 per cent over 1944. The Minister of Agriculture (Mr. Gardiner) is in his seat and can correct me if these figures are wrong.

There is a decrease, not only in hog production but also in the production of beef, milk, poultry,—where the decrease is very large,—and in every other farm product, according to the government's own statistics. I cannot attribute this decrease in production of farm products to anything else but the policies of this government.

When his estimates were before the house the other day the Minister of Agriculture read letters from his constituents, as did the hon. member for Melfort (Mr. Wright) and others.

Mr. GARDINER: Not from my constituents.

Mr. ROSS (Souris): They were addressed to the minister. After all, this is a national government.

Mr. MACKENZIE: We admit that.

Mr. ROSS (Souris): This government is supposed to represent all the people of this dominion. These letters showed that there had been a decrease in production of farm products, even though we had much more man-power in Canada in 1945 and 1946 than in the war years.

The hon. member for Selkirk (Mr. Bryce) yesterday extolled the leader of the official opposition. He said that when he was in Manitoba he had always argued that approximately one-third of the population at that time were farmers and were entitled to that share of the national income, and he went on to say that he was in full accord with that argument.

Mr. BRYCE: There is nothing wrong with that.

Mr. ROSS (Souris): I say too that there is nothing wrong with it, but I was going to add that nobody in this debate has told the house what percentage of the national income the farmers of Canada received in the first great war or in the second great war. According to a government publication of this year the farmers of Canada received twenty-nine per cent of the national income during the first great war, and in the second great war they received only eighteen per cent of the national income. That is quite a difference. I notice that the leader of the house is peering over here to see the name of this pamphlet. It is *Canadian Affairs*, No. 19, of 1946—"Science Serves the Farmer".

A word on controls. We have frequently seen how the Minister of Finance (Mr. Ilsley), under whom the wartime prices and trade board operates, has not been able to explain fully some of the decisions announced by the officials of that board. I have always paid tribute to the Minister of Finance as a most conscientious and hard-working member of the government, but he often finds himself in an embarrassing position through the actions of the board. Just the other night, for instance, he was unable to explain the ramifications of the removal of the milk subsidy. Again yesterday there was a question on the order paper with reference to the 12½ per cent increase in the retail price of agricultural implements, and the parliamentary assistant to the Minister of Finance said that he could not answer it because it was a matter of a legal opinion being wanted. I was at home when this 12½ per cent increase was announced, and it led to confusion and controversy in that whole farming community. The agents for the different companies could not explain how it was going to work out, and none of them knew how to carry on. Some thought that the 12½ per cent increase applied at that time, and some companies were adding it to the price of implements which they had had in their possession for some time past, while others did not. The whole thing was in a state of confusion.

The hon. member for Wood Mountain (Mr. Argue) the other night devoted his whole speech to the increase in the price of agricultural implements and made a statement that was not a fact. I want to explain why I interrupted at that point. I have worked in years past for the implement company which most hon. members have been discussing, the Massey-Harris company, and I travelled all through southwestern Manitoba and southeastern Saskatchewan, and my reference to the hon. member's statement was this. He said that there was no responsibility on the local agent when a salesman went through the country making sales, but I say that in those days, and I think it is the same to-day, until such time as their collections were completed the local agent of the Massey-Harris company did not receive his commission. I want to make it clear that that was the only issue I was taking with the hon. member.

There has been controversy over a press release by the wartime prices and trade board, and to-day an hon. member of this house raised a question of privilege in respect to a statement by Donald Gordon, chairman of that

board. The Minister of Finance, under whose jurisdiction the board operates, took violent exception to the word "gestapo". That is strange, because I wish to refer to what seems almost unbelievable action taken by the board in the case I am now going to mention. I have here a letter from a prominent lawyer and outstanding citizen in my province, in which he says:

Re: *Robert Stratton, MacGregor, Manitoba*

The above party is an oil dealer living at MacGregor, Manitoba.

Stratton was convicted a short time ago for offering to sell a used McLaughlin-Buick car for more than the ceiling price. He pleaded guilty and so there was no evidence given, but we believe that he advertised the car for sale for approximately the ceiling price and when a buyer came he quoted the man $1,300. The man wanted to buy, even at $1,300, but Stratton did not sell it to him. The chap was a Brandon man and later phoned long distance to Stratton and Stratton, who claims he did not want to sell to this fellow at all, told the man over the phone that the car was already sold for $1,275. This was not true, as Stratton apparently had not sold the car at all.

So far as the writer can gather, this would-be purchaser then got in touch with the Brandon wartime prices and trade board with the result that Stratton was contacted by the wartime prices and trade board officials and the Mounted Police. He told them what had happened, signed a statement, came down to Portage, his car was immediately seized at Portage la Prairie and he was left to get home the best way he could. The writer was retained and the writer immediately drew an assurance that Stratton would not dispose of the car above the ceiling price and sent it to Mr. Siddall, representative of the wartime prices and trade board in Winnipeg.

When the case came up for trial, which was a week after the seizure of the car, my client pleaded guilty and was fined $50 and costs. The wartime prices officials did not think this was enough. After the plea of guilty, counsel for the wartime prices and trade board asked the magistrate to make an order to further retain the car. The writer naturally took the stand that the magistrate had no jurisdiction to do so. As a matter of fact, we thought it was unlawful for them to have retained the car for the week preceding the case. The magistrate refused to make the order and the car was turned over to Stratton.

We now have the spectacle of this car being seized under an order signed by C. H. Blair, assistant secretary, presumably, of the wartime prices and trade board. We enclose herewith a copy of this warrant. The car has been tied up so far in Stratton's own garage, but, as you can see, the board apparently are going to sell this car notwithstanding the fact that Stratton does not want to sell it and notwithstanding the fact that he has given an assurance that he will not peddle it above the ceiling price.

We have made application to Mr. John C. Ross of Winnipeg for re-consideration of this matter and have asked him to refer it to Ottawa. We are writing you to ask you now if you would be good enough to intercede in this matter and see if he can have his car released, as he needs it in his oil business.

[Mr. J. A. Ross.]

The regulation under which this has been seized reads as follows:

"16. Any goods which any person buys or sells or in any way deals with or attempts to buy or sell or in any way deal with contrary to these regulations may (in addition to any other penalty which may have been imposed on any person or to which any person may be subject, with relation to such unlawful act or omission, and whether or not any prosecution in relation thereto has been commenced) be seized and detained and shall be liable to forfeiture at the instance of the Minister of Justice upon proceedings in the Exchequer Court of Canada or in any superior court, subject, however, to a right of compensation on the part of any innocent person interested in such property at the time it became liable to forfeiture or who acquired an interest therein subsequent to such time as a bona fide transferee for value without notice, which right may be enforced in the same manner as any other right against His Majesty."

That, I think, is a pretty high-handed exercise of authority, and the assurances we have had in other matters with regard to the rights and liberties of the individual citizen are certainly ignored in that order. It shows there is need in this country to-day for the bill of rights which was debated here a short time ago. The letter continues:

Whether the regulation will hold water, or not, is beside the point, as people like Stratton have not money to fight these various bureaus of the government, but for a free country this is pretty drastic procedure when officials of the government without any court order whatsoever can walk into a man's place and tell him that they are going to seize and sell his own property.

Mr. DIEFENBAKER: And confiscate it.

Mr. ROSS (Souris): Yes, and confiscate it.

Nevertheless, it is the law if the regulation is valid but it is this kind of regulation that makes the people despise the law and as you know the body of people otherwise law-abiding who are evading deliberately these regulations show all too clearly that the people are not in sympathy with the law or else they would obey it. Certainly actions like this which are perilously close to being high-handed only have the effect of creating concern in the minds of the people as to whether or not we are going completely totalitarian.

To this letter is annexed a copy of a warrant or instructions, as follows:

To Robert Stratton Esq.
MacGregor, Manitoba,

And to John C. Ross, Esq.,
Prices and Supply Representative,
Wartime Prices and Trade Board,
Winnipeg, Manitoba.

And to whom else it may concern:

Whereas the said Robert Stratton was convicted under the wartime prices and trade regulations for having offered or attempted to sell a used McLaughlin-Buick car at a price in excess of the maximum price fixed for such a used car by administrator's order No. A-1489 made by the administrator of motor vehicles and parts.

And whereas the board has no assurance that the said Robert Stratton will not hereafter sell or attempt to sell the used car at a price in excess of its maximum price.

Just think what that paragraph means.

Now therefore pursuant to authority conferred by the wartime prices and trade regulations P.C. 8528 dated November 1, 1941, and amendments thereto, the board orders as follows:

1. John C. Ross, prices and supply representative of the board at Winnipeg is hereby authorized on behalf of the board to take and retain possession of the used car and all documents of title relating thereto and to cause the used car to be sold for cash at a price not exceeding the maximum price at which it may be sold to such person as the said John C. Ross may designate.

2. Robert Stratton shall permit the said John C. Ross to take and retain possession of the said used car and all documents of title relating to it, shall do all acts and things which are necessary or which the said John C. Ross may require on behalf of the board to complete the sale and delivery of the used car to the person designated as purchaser and shall refrain from in any way impeding or preventing the said John C. Ross from carrying out the authority conferred upon him by this order.

Dated at Ottawa, this 10th day of May, 1946

The Wartime Prices and Trade Board,
by C. H. Blair,
Assistant Secretary.

Mr. DIEFENBAKER: No right of appeal.

Mr. ROSS (Souris): No right of appeal. The courts are disregarded. Yet the Minister of Finance rose in his place in this house at the opening of this afternoon's sitting and protested against a certain expression applied to such proceedings. I ask if anything more high-handed could be conducted by gestapo agents in the totalitarian states which we fought against for years than such an order as this.

Mr. SINCLAIR (Vancouver North): They were carrying on a black market, and they should be put in the courts.

Mr. ROSS (Souris): I am not favouring black marketing at all.

Mr. SINCLAIR (Vancouver North): You are favouring it right now.

Mr. ROSS (Souris): That man never sold his car. I would not raise my voice on behalf of anyone engaged in what is known as black marketing.

Mr. JACKMAN: Will the minister answer the question?

Mr. ROSS (Souris): Just a second. Donald Gordon says that their procedure is in accordance with justice in a democratic country. Will the minister say that that procedure is in accordance with justice in a democratic country? He was disgusted with the use of the word "gestapo", but I do not know what more high-handed action could be taken by gestapo forces than the carrying out of that very order and that warrant which I have read.

Mr. ILSLEY: Has the hon. gentleman finished? I am not participating in the debate. I am just saying something in response to an invitation by the hon. gentleman. The hon. member has not brought that case to my attention before.

Mr. ROSS (Souris): I will admit that.

Mr. ILSLEY: And I do not know whether he brought it to the attention of the board. I would have to look into it before I could say anything about it. But I do not think the hon. gentleman knows much about gestapo methods if he thinks that that is a gestapo.

Mr. SINCLAIR (Vancouver North): He knows something about black marketing, though.

Mr. ROSS (Souris): I want to take exception to the statement of the hon. member for Vancouver North (Mr. Sinclair) that I know a lot about black marketing. I do not know any more about it than he does, and I have done my best to suppress it anywhere in the country.

Mr. SINCLAIR (Vancouver North): Yet was not this friend of yours on the telephone, ready to sell a car for $1,275, and was he not convicted in what to me as a layman is one of the courts of this country? Members of parliament, I think, should be standing up here supporting the Minister of Finance in every attempt to stamp out the black market.

Mr. RONALD MOORE (Churchill): Mr. Speaker, the house has listened to a very interesting debate, precipitated by the amendment moved by the leader of the official opposition (Mr. Bracken). After a careful study of the amendment and of the amendment to the amendment I think we can all agree that there are two main issues before the house with which we ought to be particularly concerned. The first issue is directly contained in the wording of the amendment, which states that because of the government price ceiling policy, agricultural production is being hampered. The second issue is not stated in the wording of the amendment, but I think the speeches of practically every hon. member to my right have been to the effect that price controls in this country ought to be abolished.

I have listened carefully to every debate which has taken place in this house, both in this session and in the last, and they have left with me the impression up to the present time that the Conservative party is un-

equivocally opposed to the price control system which was established in Canada during the war years.

This is a very important subject. It is not only of importance to the farmers; it is of great importance to the workers, including the industrial and the white-collar workers, and I think every party in this house should have its leader go on record as to what is to be the policy of that party with respect to price control. Our leader has already gone on record with respect to that situation. I have not yet heard what is the official stand of the Progressive Conservative party in this matter, and I should like to know what it is.

With respect to the first issue, I do not think there is any question but that the government's policy with respect to price ceilings is hampering agricultural production. I am in favour of maintaining the price control system which was built up in this country during the war years. I support the maintenance of it because I happen to have had the privilege of being in another British country during the war years where price control was not in effect. I can tell the members of this house that the people in that country suffered considerably because of the fact that there was no control over the prices of goods. I refer to Newfoundland. In St. John's, Newfoundland, in 1942 a dozen eggs cost $1.20—I know, because I was there—and other agricultural products were just as high. Coal sold at $25 a ton in St. John's because there was no control over prices. While I do not agree with the economic policies put forward by the present government, I do feel that we ought to give them credit for building up in this country an effective system of price control. The only objection I have to that policy up to the present time is that they are allowing private interests to punch holes in the price system, and I venture to say that we may come to the time when we shall have to abandon price controls owing to the fact that we have allowed the system to become honeycombed by rising prices.

This is the position of the farmer as far as I can see it. Under our price control system we have permitted the prices of a large number of goods to be increased, and on some of our commodities we have permitted the price control to be completely lifted. That has resulted in a reduction in the purchasing power of Canadian farmers, because the prices of goods they have to buy have gone up steadily ever since the beginning of this year. The increase in the price of gasoline, petroleum products, farm machinery, clothing and a great number of other commodities has reduced the purchasing power of the farming group as a whole.

But what applies to the farmer applies also to the labourer. I have listened with great interest to hon. gentlemen to my right discussing the subject, and they have tried to tell us that the farmers and the labourers of the country cannot unite on a common policy because their interests are divergent. This is not true. The farmers and the industrial workers are in the same boat; the economic problems that confront the one group equally confront the other; and it is up to us to see that we follow some policy that will be favourable to both these groups.

I would like to put on the record an article which appeared in the *Globe and Mail* of May 17 dealing with the increase in the cost of living to the industrial workers of the country. It comes from George Burt, Canadian director of United Automobile Workers of America, and this statement appears:

> Instead of wages rising since the end of the war, they have been falling. Average hourly rates in money terms are down at least three per cent, real hourly rates are down nearly six per cent. Average weekly earnings dropped ten per cent and real weekly earnings, take-home pay, dropped thirteen to fourteen per cent. Mr. Burt made this announcement as the dominion bureau of statistics reported that the cost of living index had reached 120·8 as of April 1, the highest point since the war.

He goes on to say that a great many authorities in Canada have stated that if we are to increase the wages of the industrial workers we must of necessity increase all other costs of materials in this country, and he points out that this is not the situation. He refers to what an increase in pay would mean to the cost of production of agricultural implements. This is for the United States:

> In the United States a three-bottom gang plough, for which the farmers pay $153,50, has a manufacturing labour cost of only $11.17, while a cream separator, which costs $100.84 and which bears the highest labour cost of any agricultural implement, requires a wage bill of only $14.66. In the case of cream separators, therefore, a thirty per cent increase in wages, with no improvement in labour productivity, would raise unit costs by only four per cent.

Recently I saw an interesting article in one of the western newspapers. It dealt with the increased productivity of Canadian industry in the war years, from a survey made by the war production board, which stated that in 3,750 of our largest industries, comprising forty-two different companies, the productive efficiency, when they shall have been reconverted to peace-time conditions by July 1, will have increased by some 86 per cent over

1939. But the additional amount of labour employed will be only 33 per cent. Reducing these two factors to equal terms, when these plants are reconverted to peace-time conditions their productive efficiency will have increased since 1939 approximately 40 per cent. That means that they will be able to make the same production with approximately 40 per cent less labour. This is not true for the whole Canadian industrial picture, but it is true for that number of industries. The only possible way in which to meet the situation is to reduce hours of labour and maintain the same rates of pay.

In order to show the effect which removal of price ceilings has had throughout the country, I should like to quote from a resolution I received from the federal union of base metal workers, No. 172, at Flin Flon, Manitoba:

> Federal local No. 172, which speaks for the great majority of the workers in this community, is making strong representations to the federal government to take action to forestall the deplorable situation that is fast developing in this community. With the allowance of certain price increases and the lifting of ceilings on other products and services, we are rapidly approaching a condition where the pay envelope no longer contains sufficient buying power to meet our daily needs. We appreciate the difficulties that are being encountered in the reconversion period but feel that the workers here are being asked to bear more than their share of the burden.

That is the general opinion abroad throughout the country. The workers of Canada are of the opinion that the government is removing price ceilings at this time, or revising them upward because of pressure that is being brought to bear by groups in the country. That pressure is being brought to bear by large industries in Canada who are anxious to make a killing on the vast backlog of production that exists in the country, and I do not think the government of the day should yield to it. They should have stood firm and refused to grant many of these increases.

I do not want to go on record as being opposed to adjusting the price system. It may be necessary in certain instances to increase or decrease prices, but I think it should be done scientifically and should not be done until it has been thoroughly proven that the increases are necessary. If the prices of the commodities which the farmer has to buy are to be increased by increasing the price ceiling, then we must of necessity increase the selling price of his commodity, so that his buying power will remain substantially the same.

I should like to refer to a few remarks that have been made during the course of this debate by hon. gentlemen to my right. The other evening I listened with a great deal of interest to the hon. member for Dufferin-Simcoe (Mr. Rowe) as he spoke on this subject. He spoke at great length and with great force, but in all fairness I do not think that he dealt with the subject in the manner in which he should have. For instance, one of his statements was, "As a friend of labour I take second place to no one." I presume he was referring to the group as a friend of labour. I do not think the actions of the Progressive Conservative party have proven that. Their actions did not prove that from 1930 to 1935, and I do not believe they prove it to-day. It will be remembered by all hon. members what the leader of the Conservative party had to say on this subject in 1933, when there was a great deal of labour unrest throughout the country. He said that it would be necessary for the government of that day to apply the iron heel of ruthlessness when dealing with the situation. That was the labour policy enunciated from 1930 to 1935. To put the word "progressive" in front of the word "Conservative" did not alter substantially the real policy of the party.

A little further on in his address the hon. member for Dufferin-Simcoe said that the farmer was the forgotten man. That is true. It was true especially before and after the last great war and the first great war. It is fair to say that during the war the farmer received a reasonable amount of the wealth of this country. The hon member for Dufferin-Simcoe went on to tell us that this condition had existed in Canada for twenty-five years. That is also true; but do not let us forget that during part of the twenty-five years the Conservative party was in power. They were in power from 1930 to 1935. They had an excellent opportunity to correct the situation at that time if they had desired to do so.

In his speech this afternoon the hon. member for Souris (Mr. Ross) made reference to remarks made by my colleague, the hon. member for Dauphin (Mr. Zaplitny) who spoke in this house on this subject yesterday. He referred to remarks made by the hon. member for Dauphin concerning the speech made by the hon. member for Dufferin-Simcoe. I checked *Hansard* in connection with the matter, and I want to tell the house that the hon. member for Dauphin was quite right when he made that statement. I checked the original script of *Hansard* and I wish to quote it.

Mr. ROSS (Souris): I did not make any reference to the hon. member for Dufferin-Simcoe. I referred to the hon. member for Calgary East (Mr. Harkness).

Mr. COLDWELL: No.

Mr. MOORE: If that is the case—

Mr. COLDWELL: Just put it on the record.

Mr. MOORE: At page 1751 of *Hansard* the hon. member for Dufferin-Simcoe is reported as having said:

> The leading economists tell us we shall have to increase our national income, that we shall have to increase it by 50 per cent if we are to maintain these new types of fantastic Liberal policies.

I listened very carefully to the hon. member for Dufferin-Simcoe when he was speaking, and I believe the hon. member for Dauphin was also listening very carefully. I think I heard something entirely different from that. It sounded to me like "social services" instead of "fantastic Liberal policies". I checked the original script of *Hansard,* and that is what was said. It was "social services", instead of "fantastic Liberal policies." I appreciate the fact that the hon. members to my right do not wish it to get abroad that they are not in favour of extending social services; nevertheless I think we ought to keep the record straight on that issue.

We ought to consider for a few minutes what would happen in this country if we took off price controls. The results would be serious for the workers of Canada. If we were to take off the controls it is quite possible that our prices would increase by twenty-five per cent by the end of this year. This increase in price would take place on all agricultural and industrial commodities. If that happened we would have a spiral of inflation with which agriculture would not catch up for the next three or four years. An agricultural depression would hit this country, and it would require five or six years to get back to normal. Possibly we would not get back to normal until different policies were followed. In this regard I should like to quote what United States authorities have to say with respect to price control. I shall quote from a statement made by Mr. Paul Porter, administrator of the OPA in the United States. This statement was made before the banking and currency committee on April 17, 1946. Speaking of the possibility of the lifting of price controls in the United States Mr. Porter said:

> We cannot assume that the boom would collapse in a single year as it did last time. The rise in prices might well continue. As they moved up to levels 75 and 100 per cent above current prices, the purchasing power of the dollars that American families have put into war bonds, insurance policies and other forms of savings would continue to fall. If present prices doubled, the things which a dollar bought on September 1, 1939, would cost $2.60. To put it another way, the dollar's 1939 purchasing power would have shrunk to 38 cents.

If we are to follow a similar course in this country it is only natural to expect that we shall get a similar result, and I wish to go on record as being in favour of retaining price controls, with the proviso that as the situation develops the price of agricultural products ought to be raised in line with the price control system of maintaining the purchasing power of the farmers of Canada.

Mr. COLDWELL: May I rise to a question affecting the privileges of this house? The hon. gentleman who has just taken his seat referred to a distinct change in the record of *Hansard.* I would ask, Mr. Speaker, that it be looked into and the record of *Hansard* put in the manner in which the statement was originally made.

Mr. DEPUTY SPEAKER: I have taken note of the remarks of the hon. member for Rosetown-Biggar, and I shall have the record perused and shall bring the matter to the attention of the officials.

Mr. L. E. BAKER (Shelburne-Yarmouth-Clare): I had not intended taking part in this debate, but it has gone on for so many days that I wish to put myself on record as being solidly behind the Acting Prime Minister (Mr. Ilsley) in his endeavour to maintain price controls.

I have listened to the debates, and I have listened with great interest to what the western members have said. I am particularly concerned with what affects primary producers, and more particularly fishermen. I am sympathetic to the problems of the westerners, and I trust that we shall get their consideration in matters that affect the people of the maritimes and the Pacific, the fishing constituencies of the inland lakes and all across Canada. It seems to me that undue stress has been put upon the position of the farmers. I would suggest, in a very kindly way, that the farmers will get more sympathy if they do not emphasize only their own case and make themselves out to be the people who are always abused, because I do not think that is the case. I am sympathetic toward the farmers; I have many of them in my constituency but, as I said, I am even more sympathetic toward the fishermen.

As far as price control is concerned, having lived in European countries where I have seen the black market work; having listened to various arguments from the opposite side of the house which are to some extent conflicting, I should say we are fortunate in having our present set-up with the wartime prices and trade board which at least knows where it is going and what it is doing, and I hope we shall retain it for quite some time. I would

not want anyone to think I should like to see prices remain as they are now, for all time. That would be a stupid statement to make. When supply equals demand it seems to me only common sense that we shall be able to relinquish certain price controls. At the present time you do not have to go out and sell articles; you must go to the seller and ask if you may buy them. When the time comes that people have to go out and sell things, then some controls may be removed. There may be times when you will have to allow price ceilings to rise in order to increase production, as has been done in connection with farm machinery. I am not an industrialist, but the industrialist is a human being like anyone else, and it seems only reasonable that he should be able to get a fair return for his efforts or for the money he has invested, just as the farmer or anyone else should.

I have only one suggestion to offer. I own a few shares of stock in a company which produces farm equipment. I would not sell those shares now, because they are very much lower than the price at which I bought them many years ago. I suggest to hon. members on the opposite side of the house that if they believe these companies are going to make so much money and are going to do so well, they should either individually or in groups buy up this stock. The proof of the pudding is in the eating. I do not want to go in with them, because I do not feel like putting money into farm equipment stock at the present time. I do not believe there is much profit in it, but that is my suggestion. When some of them come back here and tell me they or their organizations have done so, then I think they will have a little more to talk about.

I hope that eventually our price control organization and many other bureaux will be done away with, so that we may get back to where we were before the war. But we must be very careful in going about this. I suggest that it takes a man of courage to maintain these price controls and continue the policy that has been adopted by the wartime prices and trade board. It would be very easy for the Acting Prime Minister to say, "Oh, yes; we will relinquish this control and that control." It is so easy to say yes, but it is a little different when you have to say no, with perhaps some of your own constituents fighting against you and some people over the whole country opposing you. I like a man who can say no when he believes that is the right thing to do. Regardless of what happens in this House of Commons, I will leave it to the public to decide who is right and who is wrong. I am supporting the Acting Prime Minister and the wartime prices and trade board, hoping that, as time goes on, certain controls may be dropped, and that we shall continue to receive popular support until such time as we can do away with all these things.

Mr. MAX CAMPBELL (The Battlefords): Mr. Speaker, I had prepared quite a lengthy speech in connection with this matter, principally on the question of farm machinery. However, I think that subject has been pretty well covered by other hon. members, and I do not intend to devote very much time to it. I wish to place on record part of a letter I received from a Massey-Harris farm machinery agent because, if the facts are as set out in this letter, I believe the minister should get to the bottom of this situation. This is what this agent says:—

> At a convention held in Saskatoon, April 2, 1945, Mr. Burns, Massey-Harris Company manager there, told us the Massey-Harris Company made $2,300,000 profit in 1944 and that by or for, starting January, 1946, they were going to give their agents $1,300,000 more than they did for the machines they sold in 1944.
>
> Then he, Burns, told the agents that the 102G senior tractor that sold for $1,492.90 gave the agent $251.54 in commission and that the new rate would give him $101.50 more, a total of $353, and this increase is to apply in proportion to all machines starting January, 1946.
>
> There is also a bonus at end of year of varying amounts on sales up to $20,000, 1½ per cent; up to $35,000, 2 per cent; up to $50,000, 2¼ per cent; then an extra 2 per cent if all sales completed in the year.
>
> The dealer buys the machine and parts from the company, and pays wholesale price only. Before this year the dealer paid selling price and got his commission at end of year.
>
> The dealer guarantees the machine—not the company.
>
> There is quite a lot of detail in connection with these prices. That I will not bother you with.
>
> But the question is: Why did the company give the agents about 40 per cent more commission than he got before then ask the wartime prices and trade board permission to increase prices 25 per cent and got 12½ per cent?
>
> The agent sure has a good thing for the next three years, he can sell all he can get.

I think enough has been said about prices of farm machinery to indicate the need for the wartime prices and trade board to make a thorough investigation into the matter. A committtee of this house should be set up, and this whole matter of farm machinery prices should be brought into the open. I know the minister said the wartime prices and trade board made an investigation, but from the figures which have been given in

this house I do not believe that investigation was thorough or complete, and the farmers of Canada are entitled to all the facts. A few days ago the Minister of Agriculture (Mr. Gardiner) made the statement that the farmers of this country were happier—I think that was the word he used—than they had been for many years. I believe he was right up to a few weeks ago, but judging from the letters I am receiving now the farmers are not satisfied. I do not believe there would have been very much protest from the farmers if the old price ceiling had been maintained, though I think some of those prices were not exactly right. There should be a price fixing board on which the farmers, the workers and various other groups in the country should have representation, which would ascertain the proper relationship of prices and then set prices accordingly. Then there would be no kick from anybody.

What is the situation in Canada to-day? A great many people are dissatisfied. The workers are dissatisfied with their wages. The farmers are dissatisfied with the removal of the milk subsidy, for example. We have a strike in the logging industry, and we are threatened with other strikes all over Canada. According to the newspapers we are threatened with a strike of farmers right here in the province of Ontario. These farmers threaten to throw their milk down the drain. I do not like strikes; I think they should be avoided, if at all possible. I do not like them because those who do the striking are in the long run, the losers. In respect of wages, if they get increases under the present system. immediately the cost of the article made from their labour goes up, and the increase in the wage they obtain through striking is counteracted by the cost of the article they must buy.

The farmer has no protection; he is not in a position to strike. Perhaps the milk producers could throw their milk down the drain for a few days or a few weeks, but who wants to see that? Little children will suffer if a thing like that is done. We do not want to see children going without milk in this country for a month, while the farmers are throwing milk down the drain.

I heard over the radio last night that the government was going to have a meeting to consider putting the subsidy back on milk. I hope something will be done. However, I did make the statement in the house last year, in my maiden speech, that I did not believe the government would do the things that would have to be done in order to get the things the people of this country want. Those things are security, stabilized prices for farmers, and wages for workers in industry which will give them a decent standard of living. We want them to know they are going to have jobs all the time, and not just some of the time.

I have been listening to some of the statements made in the house, and have been surprised at some of them. The hon. member who has just taken his seat comes from a different part of the country. Then Tuesday evening the hon. member for Charlotte (Mr. Stuart) told us injustices were being suffered by the fishermen on the east coast. I support the fishermen, or any other group of men who work for their living; because we must realize some day, sooner or later, that wealth is produced by the people who work, and that the working class, the people who have produced the wealth of this country in the last hundred years, to a large extent have been poverty stricken.

I was surprised when the hon. member for Charlotte said this:

> Sticks that are driven into the ground are anywhere from 20 feet to 60 feet in length. In 1940 I could buy a 50-foot stick for $3.50. In 1946 they are $12.50 each.

Here is an instance of a great increase in the price of something the fishermen has to buy. Where I come from, if a member for my constituency did not rise in his place in the house and protest against that sort of thing, he would not be a member very long. I am surprised that the hon. member for Charlotte did not protest on Tuesday evening when he was speaking.

Then, speaking again about the fishermen, he said:

> They are standing on their own feet and not asking for help. They will not ask for help as long as they can make a living, and they are ready to work for it.

Then he went on to say:

> In the winter time I have been twenty miles off shore, taking sardines on board a boat....

And so on. He proceeded to tell how hard he had to work. I realize he had to work hard for a living, and I am trying to represent people who have to work hard for a living. I want to see people who have to work as hard as the hon. member worked get something for the wealth they have produced.

On Tuesday evening we heard a speech from the hon. member for Dufferin-Simcoe (Mr. Rowe). This is what he said as reported at page 1744 of *Hansard*:

> I speak as a member of the party that is recognized in Canada to-day as being the farmers' party.

Mr. IRVINE: Ho, ho, ho! That is a jolly good joke.

Mr. CAMPBELL: I do not think that is correct. Before the last election the Progressive Conservative party sent an organizer into my constituency. He could not find any Tories in my village, so he spent the evening with me.

Mr. MacNICOL: A waste of time for the Tory joke.

Mr. CAMPBELL: He was a very pleasant fellow and a good conversationalist, so we had a good time. But one of the things he said was this: "I cannot understand why you fellows get beaten time and again, but come back every time, and each time a little stronger." I said, "There is a reason for it. The reason is that we have a policy. We have something in which we believe."

Mr. GARDINER: Then the Tories all voted for you.

Mr. COLDWELL: Oh, you know better than that—in Melville.

Mr. IRVINE: Some of the real Liberals did.

Mr. CAMPBELL: So that when the hon. member for Dufferin-Simcoe states that his party is the farmers' party, I would draw something else to the attention of the house. This is what he said, as reported at page 1750 of *Hansard*:

> This party stands for the removal of the ceiling on farm products.

He sits in the front row; he is one of the leading members in his party, and he makes the statement that he is in favour, or his party is in favour of the removal of the ceiling on farm products.

At another point in his speech he said that he took second place to no man as a friend of labour. Well, what would happen in Canada if the ceilings were taken off farm products? I am a farmer, representing a farming constituency. I want to see the farmers in my constituency, not get all they can get, no, but get something that will bear a fair relationship to the prices of the things they have to buy. If the ceilings are taken off farm products, either by the government —or by this other party, if it should ever get into power—what could we expect? If the ceilings are taken off one group of products, it follows necessarily that those earnings must be taken off every other product. What happens then? We have inflation for a while, and it may be that a few would benefit from that inflation. But from past experience we know who suffers most when deflation comes.

Mr. MITCHELL: The farmer and the working man.

Mr. CAMPBELL: You bet your life, it is the farmer and the working man who suffers most when deflation comes.

Do we want deflation? We do not. As our leader has said in this debate, we do not want high prices one day and low prices the next. What we are trying to make the house see is that we want stabilized prices, so that the farmer will know what he is going to get when he puts in a crop, so that the working man will know what his wages are going to be, and will not be losing his job.

What happens when we have deflation? We went through a period of deflation after the first great war and before the second one. I have given reasons before in the house why we have had those periods of deflation. I have been satisfied for some time that if we continue under the capitalistic system we shall have those inflationary and deflationary periods; there is no way out of it. If, as the hon. member has said, his party is in favour of taking the ceilings off farm products, he must also be in favour of taking the ceilings off every other product. That is not what the farmers of Canada want to-day, and that is not the kind of party they want to represent them.

Later in his speech the hon. member said:

> Competition, reasonable pay for services, recompense for individual effort, choice of vocation—all these things are influenced by the law of supply and demand.

Economists used to tell us that two great laws regulated our economic system, the law of competition and the law of supply and demand. There was a time when those two great natural economic laws did work, but nobody can tell me that they are working to-day or that they have worked in the last twenty years. Is there competition in this country as between one big business and another? Absolutely none. There is a certain amount of competition among small business men but there is no competition and has not been for some time between the large industries in this country. We had proof of that when Mr. Duncan, manager of the Massey-Harris Company, was before the 1937 committee of this house on farm machinery prices. He was asked, "How do you arrive at prices? Do you all get together and fix prices?" He said, "No, we wait until International Harvester brings out their price list and then we bring one out like it." There is competition in this country among labourers for jobs when there are five labourers for every job, but there is no competition so far as big business is concerned.

As to the law of supply and demand, I think many of us in this house know something of that law. There are two kinds of demand.

There is what we call the effective demand. Then there is another demand which many of us know more about, namely, the stomach demand. There was a stomach demand all through the 1930's, when people did not have the money to buy what they needed, and so that demand was not effective. Does anybody want to go back to the old competitive system and the law of supply and demand? I am a cooperator. I believe in cooperation. I believe that competition is just as bad among business as it is between nations. Competition is one of the things that is responsible for war and for a great deal of the hardships that we have seen in this country. Take the small business man, for instance, who has worked hard, saved a little money and established a small business. Then, under the competitive system somebody comes along and sets up a store beside him, perhaps someone with a little more capital. better stock or connected with a chain store, or it might be a large corporation. What happens to the small business man? We know by government statistics that thousands of small businesses go out of existence or go bankrupt year after year. Do we want to return to that system? That is not what the farmers are going to support.

Mr. E. G. McCULLOUGH (Assiniboia): Mr. Speaker, many speakers in this debate have presented statistics to prove their case that the government's recent policy of decontrol has meant undue hardship for agricultural producers and workers in this country. I believe, and I think in this I am in complete agreement with all members of this group, that this whole problem of decontrol facing the government to-day stems out of the lack of policies which they should have formulated during the war. If those policies had been formulated we would have known when we entered this post-war period exactly where we were going. I am sure that this government has no policy in regard to decontrol. It is giving in to pressure behind the scenes.

As a new member of this house, I would have thought this government would have learned something during the war, but I am quite sure now that we have simply the same set-up that we had during the war, a set-up for the protection of the vested interests of this country. In any proper policy of decontrol you cannot treat agriculture independently of other branches of our Canadian economy. We must recognize that our whole economy is so interlinked that farmers and workers and all the Canadian people are interdependent. But once again we see the government giving in to these powerful corporations who, behind the scenes, are exerting pressure upon it.

[Mr. Campbell.]

During the war these companies made tremendous profits. I do not wish to give figures that have already appeared on *Hansard* but will say briefly that in 600 odd companies listed here the profits ranged from 13·3 to 17·6 per cent. These companies have made money and they are making money again. It is true, as the Minister of Agriculture (Mr. Gardiner) stated, that agriculture had some of the best years it ever had during the war; nevertheless he went on to state that the average income of agriculture in its best years was only $2,000 par farm.

I should like to say a word about our national debt. On March 31, 1939, our gross debt, according to the bureau of statistics, was $3,710,610,592.87, and in 1945 it had grown to $15,712,181,527.26. This means that once again the people who made profits in the past during the development of this country are in a preferred position, with the taxpapers of this country owing money to them.

When we are planning for the post-war period we should predicate our whole policy on making available to the common people of this country the things which they produce. In 1939 we had a national income of $3 billion and that has grown to-day to a national income of $9 billion. Our whole system should be so arranged that the workers will be enabled to get a fair share of the things that agriculture produces and that the farmers will be able to buy the things they need which the industrial workers produce. Look at the number of our farms to-day that have no bathtubs and no modern bathroom equipment; at the number that are without cars and all the amenities of life that they should and could have. But the decontrol policy of this government is bringing about a situation that lowers the purchasing power of farmers so that they will be unable to buy what the industrial workers produce. Consequently we are going to pass through another phase of unemployment.

It seems to me that the machinery companies in their pressure on this government are doing very much what the aluminum company did in the months just before the war, when they refused to go into production until they got the profits which they demanded. Tremendous profits have been made by these big companies. The Shipshaw power project during 1941 to 1945 received from the government a special depreciation amounting to $164 million, in addition to huge profits based on prices of from fifteen to seventeen cents per pound. The machine companies are also making huge profits. What the government is doing by making this gap in the ceiling on farm machinery will result in breaking the

ceiling on every other commodity. I have here a report from the *Free Press Prairie Farmer* of May 7, 1946, headed "Farm hardware price rise seen", in which one hardware merchant who specializes in hardware materials which farmers require says that price increases of from 5 to 10 per cent on farm hardware can be expected.

There was an example of this to hand yesterday in statutory orders and regulations, May 1, 1946, by this government providing that prices of metal beds, cribs and bassinettes are increased by 10 per cent and metal bedsprings, trunks and cots are going up 12½ per cent. So that in fact we have no longer any control policy.

As reported at page 1781 of *Hansard* the hon. member for Lake Centre (Mr. Diefenbaker) in his speech the other day said, referring to the leader of this group:

> ....the C.C.F. party supports the government in its stand that there shall be no increase in the prices of farm products in this country.

I believe that when the leader of our group speaks he will make it abundantly clear that he never said that and does not believe in it, neither does any member of this group. We have always taken the stand that we believe in a scientific, organized Canadian economy whereby the price of farm products will bear a fair relationship to the cost of their production. But what is happening at this time? Let us consider the serious position of our 800,000 veterans, most of whom have come back only to find that the government has allowed the cost of housing to go up about 50 per cent, the cost of machinery to rise by 12½ per cent, with increases in other directions. These boys and girls returning to civilian life find that their gratuities are insufficient to buy or build houses or to buy farm machinery; yet their incomes are stabilized. In consequence, they are not able to rehabilitate themselves. This is not fair, because these young people went into the services with the idea that they would not be any worse off when they came back than those who did not enlist. They find that through conditions beyond their control housing costs have gone up 50 per cent, and by a statutory order issued on May 20 the government has allowed the price of furniture to be increased from 10 to 12½ per cent. So it looks as though the government in its decontrol policy has no regard for these people. The outlook is serious.

What we need is, not a plan for agriculture alone or for the industrial worker alone, but general planning on a basis whereby our Canadian economy can be scientifically arranged so that the people of Canada can absorb the goods which they produce. I do not think it is sensible to look for foreign markets so long as the people on the farms are without radios, bathroom equipment and other necessities. Likewise I do not believe that, apart from the emergency we are facing to-day, we need to worry about foreign markets for our agricultural products. As was pointed out the other day, when we went into war and began to put pay cheques into the pockets of our workers they started to buy the beef, butter, pork and cheese which the farmers were producing, and the Minister of Agriculture himself said, when speaking in the province of Saskatchewan, not much beef had been shipped out until we had to resort to the rationing of beef. The point was that for the first time in many years purchasing power was put into the pockets of large numbers of people.

What is happening to-day? It would seem that the same situation is likely to recur which existed prior to 1939, when the leader of this group, the hon. member for Rosetown-Biggar (Mr. Coldwell), and Mr. Douglas, now Premier of Saskatchewan, proposed on various occasions that money be provided to put to work the young men who were then on relief. The question arose then which we hear now, where is the money to come from? I suggest that it will not be many months before we shall have the same situation. The money will be in the hands of the financial corporations of this country, and we shall again be faced with the same inquiry, as to where the money is to come from. Yet we have the farmers needing equipment, because for six years prior to the war, owing to low prices, they did not have purchasing power, and in the six years following, because steel was needed for war purposes, they were and are, though provided with some purchasing power, unable to replace their farm machinery. While we pay much lip-service to all-out food production we are in fact achieving nothing of the kind because of these restrictions. I know in my district people are wondering if it is worth while trying to farm, and certainly the young men and women returning from the war are not going back to the farms.

I do not think I need speak any longer on this matter, but in conclusion I charge the government with failure in its decontrol policy, on five counts.

In the first place, it has failed to maintain full production in the industrial field, because it is not providing incentives.

In the second place, it has failed to maintain all-out food production because of its income

tax policy, the increase of three cents per gallon on gasoline, and the increased costs of farm machinery.

In the third place, it has failed to achieve full employment. I have just inquired of the bureau of statistics as to the number of registered unemployed in Canada, and I wish to point out that at this time, when we are supposed to go into a full housing problem and all-out food production, 225,000 persons are registered as being unable to find jobs.

In the fourth place, the government has failed to distribute the national income fairly among our people. I believe that farmers and their wives who have worked long hours during the war, and workers in industry, should be entitled to a fair share of the nation's income, that it should be so distributed as to provide decent standards of living in this country.

In the fifth place, the government has failed to maintain housing and other rehabilitation costs at levels at which the veterans can decently rehabilitate themselves.

These, Mr. Speaker, are my views on the decontrol policy. I think it is absurd for any hon. member to make suggestions or even to criticize the government merely on one phase of this policy; it must be faced as a problem of the whole Canadian economy. We in this group insist that if the country is to avert another depression, if we are to have the kind of post-war programme to which those who fought this war are entitled, it will have to be worked out on a scientific basis.

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, my reason for participating in this discussion is that for the last three decades in my own section of northern Ontario we have had the greatest agricultural development of any area in Canada. At the very outset I must state my belief that the discussion which is taking place on the resolution of non-confidence will prove beneficial to the people generally, because it will bring forcibly to the attention of parliament and of the Canadian public the controls which we have had during the war and which will probably have to be maintained to some extent for a great many years, if not for all time to come.

It is not popular to work for and to support controls, it was a real ordeal as far as I was personally concerned, because no Canadians, in fact no people living in democratic countries, relish controls even in war time, much less in peace time. However, I thought it my duty and my obligation, more particularly during the war, when I saw some dissatisfaction over rationing and price controls, to step into the breach and tell our people what these restrictions meant to them, to our war effort and to our allies, and I am going to do much the same thing even now that the war is over, because I know that controls are still needed.

During the present debate we have often been reminded that the war is over. It is true that the armed conflict is ended. But the war has left us a horrible and costly heritage, and I for one could never feel that after five, six or seven years of bloody conflict we could reasonably expect a heaven on earth to result. There was bound to be a residue of hardship for the Canadian people as well as for all the other peace-loving people of the world, in fact, for all the nations; and for many years to come, apart from the bloodshed, sacrifices will have to be made throughout the world so as to solve the post-war problems. It was not a pleasant thing even from the political point of view, and in this connection I wish to quote a statement made by the hon. member for Muskoka-Ontario (Mr. Macdonnell) in the maiden speech he delivered last year, which was so well received on all sides in the house, not only because the speech itself was an able one but because of the reputation and the ability of the hon. gentleman who delivered it:

> I was in a very small shop one day located in my riding. Like most country stores it was really a tiny departmental store. In it was a dry goods section, a grocery section, a boots and shoes section, and so on. I should think one could have taken any of those departments and put it in a good-sized wheelbarrow. The owner of that shop was somewhat annoyed on the day of my visit. It seems there had been two government inspectors who came to the shop during the afternoon. They travelled in very fine cars supplied with plenty of gasoline—and this was during the rationing period. One of them examined, let us say, his dry goods; the other examined, let us say, his boots and shoes, to see that all was in order. From my own point of view it was perhaps a good thing, because I think the owner of the store was a faithful member of the Liberal party, and I left that shop with some feeling that perhaps he might change his allegiance.

This was not my own attitude in my riding. I had no desire to inquire into the political party affiliations of anyone, retailer or wholesaler, though I have no doubt that in many instances people were irritated by the controls. We all realize to-day, however, how necessary those controls were. I do not think anyone should refer to the fact that inspectors or officials of the wartime prices and trade board were travelling around in cars, good or otherwise. It is true that they did travel, but they had to travel somewhere and they had to have some means of travelling because there was a great deal of territory to be covered. It may be true that they were using

more gasoline than the average citizen, but I do not see any ground for criticism there, because they simply had to travel and they had to have the gasoline.

I would, however, ask hon. gentlemen this question. Have we as parliamentarians; have we as leaders in our own individual communities, done everything which it was in our power to do to make the controls effective? It would be a very easy matter to capitalize politically against the government on the controls. It would be quite easy for me to state in this house that I am opposed to controls as such and that there should never have been any price control system. That would be popular in my section of the country. But would that be playing fair; would it be playing the game, from the point of view of the national economy? Would it be doing anything to help toward a solution of the post-war problem?

The motion of non-confidence has been, I believe, properly analyzed and interpreted by the farmers of the country, and they will certainly not be happy about it, nor will they be inclined to commend the leader of the Progressive Conservative party and his followers for that motion, for its implications against them. The amendment carries the implication that because of the controls that have been in effect, as a necessity because of war conditions and at the present time, our farmers have not played fair and have refused to produce to the maximum of their capacity.

I suggest, Mr. Speaker, that the farmers of this country—I think, for that matter, the same can be said of farmers everywhere—are not only a robust people, but a loyal people as well, and we know how hard they worked during the war and are still working. Unlike those engaged in industry or in the professions, they cannot draw up a chart in the spring of the year, knowing exactly how much they will grow, exactly what they will reap from the seeds they have sown, what returns they will get for the sweat of their brows. But have not all the farmers of this country, not only during the war, but under all circumstances, and under handicaps of every kind, dedicated their vocation to the good of the country as a whole, and done the best they possibly could under all conditions?

I do not believe for a moment that controls have had any effect on the farmers in the way of influencing them to curtail production or not to produce to the fullest extent possible. They have not done that in my part of the country, nor do I believe they have done it in any other section of Canada. What is more, I am positive they will not take that attitude in consequence of a slight increase in the price of farm implements. I am speaking for the farmers and settlers in my own section at any rate.

A little later on I wish to consider, in the light of the amendment that has been proposed, prices that are actually paid in the United States, and in this connection I will quote some comments made by certain United States newspapers of wide circulation giving the reasons for prices having been so high. We all know that sometimes there is decreased production as far as farm products are concerned, but this is not due to any government policy; it is due, generally, to climatic conditions. We can be thankful that the government cannot be blamed for the weather; if the government could be blamed for it, then no government would long remain in office, and it is really the only thing on which it can be challenged. In my part of the country in 1944 we had about one-fifth of our average hay crop, although we received some help from the Department of Agriculture at Ottawa in getting lower freight rates on hay shipped to our section. But a good many people had to sell dairy and other cattle because costs were prohibitive. The government certainly cannot be blamed for that situation.

I should like to read something that shows how pathetic the farmer's position is. It is pathetic regardless of any government policies or controls. The following is a brief article that appeared in the Regina *Leader-Post* in May, 1946:

> There is an anxious furrow in the brows of southern Saskatchewan people as they scan the skies these days. Early though it is in the spring season, there have been several invasions already of the dreaded enemy—dust. Eyes have smarted,throats have been constricted with the acrid taste, and the wind has whipped up to the devastating proportions of ten years ago.
>
> Few who experienced the siege of a decade ago can ever forget that period when the whole pattern of the province's economic and moral fibre rocked and reeled to a series of constant dust storms. Agriculture was, of course, the most vitally affected. Saskatchewan farmers needed and drew upon a courage almost superhuman to bolster them against the sight of constantly drifting, precious topsoil, and the knowledge that their crops and livelihood were blowing away each day with the evil drouth winds. The fact that they did stick it out grimly and steadfastly, has become yet another saga of brave Canadians. It is to be hoped they will be spared from such another trial.
>
> Urban dwellers felt the reprecussions of the economic depression also and doctors reported that eye, ear, nose and throat trouble sprang up overnight due to the vicious onslaught of the dust-laden air.

I have read nothing that describes so poignantly the anxiety and pathos of the farmers during their seeding season as well as in the crop season. I repeat, the leader

of the Progressive Conservative party was ill-advised to introduce a resolution that seeks to convey to the people of the country the impression that, as a result of certain government policies, the Canadian farmers have not been true to their calling and have not produced to the best of their ability, and have seized any opportunity to curtail production.

So far as decreased acreage is concerned, I can assure the house that there will be no decrease this year as a result of the 12½ per cent increase in the price of farm implements. On the contrary, there will be a larger acreage than in the past. The following Canadian press dispatch appeared early this week with reference particularly to Ontario:

> Seeding of the new crops across the country is well ahead of this time last year except in the maritimes, a survey by the Canadian Press showed to-day. And farmers are planting more wheat than last year.
>
> Winter killing of fall wheat, hay and clover crops was considerable in central and eastern Ontario. The weather so far has been unfavourable for growth of these crops and of course for pastures too, with most milking herds still stabled.

We all know this is a backward spring, and not conductive to profitable operation so far as dairying is concerned. I continue with the quotation:

> Ontario is expected to seed somewhat higher acreage of spring grains, and a considerable increase in acreage of tobacco, soy beans, corn, early potatoes, field peas and sugar beets.

Surely there is no danger of defeatism in Ontario farmers and the farmers throughout Canada, no matter what may happen to governmental activities. I continue:

> Ontario expects the biggest tobacco crop in history, with a twenty per cent increase in all types. The plants will be set out around May 24. The tobacco growers are anxious for ample rainfall right now, however.
>
> All vegetable growing districts in Ontario expect increased acreage this year in practically all vegetables. Transplanting and seeding is up to normal in most places and well ahead of normal in others.

I just wanted to put that on the record so that parliament and the people from the urban centres will know that our Canadian farmers are not discouraged. They were at times working under a great handicap. We remember the depression; we remember the terrible years of dought in the west. We have had difficult times in my own section where we have been pushing out the borders of civilization under climatic conditions that were not ideal for farming, particularly grain farming. Year after year we had to face premature frost in the fall and early frosts in the spring. In my own farming activities it was only in the seventeenth year after seeding grain on our soil that we harvested grain crops for seed purposes. I am showing by that, that our people are not discouraged, even by the elements.

No one will make me believe that an increase in price of a fraction of one per cent will discourage all our farmers from going ahead with their work. It is a calling with them; it is a duty, besides being their way of living. They have heard the appeal of the famished people of Europe; they have heard the appeal of Mr. LaGuardia, of Mr. Hoover, of the Canadian government, of every member of this parliament, of the necessity of growing more crops to feed the people of Europe. Most of them know what happened during the last war. Therefore on this score I am absolutely at ease in speaking.

I know that our farmers do not like this increase in the cost of their farm implements. They are human, the same as anyone else. I know they will never be satisfied with their lot. But that is a happy situation, because every section of our population should agitate logically, practically, sincerely and honestly for a better place in the sun, for more comfort and prosperity than they have; in a word, for a better way of life. We do not need to worry as far as the rest of our population is concerned when that takes place. The farmers are basing their opinions on that score, but they are realists. They know that to-day their situation is better than it was four, five or six years ago. They hope that never again will the prices that obtained during the depression be prevalent throughout Canada. At that time eggs were selling at eleven cents a dozen and butter at eighteen cents a pound. As a wholesaler and retailer I know that this was not good for Canada as a whole. It was not good for anyone. I hope that the price and floor controls which were established two years ago will, when in full swing, stabilize prices, and give a fair amount of controlled prices so far as farm production is concerned.

May I now touch on the question of price ceilings? Farmers realize that it cannot be absolutely rigid; it must be resilient to some extent. The same thing applies to floor prices. At times, some of the floor prices will have to be increased and decreased. Being logical, labour also knows that the workers cannot expect a rigid wage scale. Everyone knows that the industrialists cannot work or manufacture on the same prices as ten years ago, five years ago, or perhaps ten years from now. Rigidity is never conducive to the good functioning of any economic system. They have it in some countries, but surely we do not want it imposed on us. Our farmers know

very well that an increase of one-fifth of one per cent, or one-tenth of one per cent in their cost of production is not going to upset their own activities, because they have received some increases. They received an increase recently on the price of butter, and they are satisfied to some extent, but not entirely so. I know this is a delicate problem for me to deal with, but I know of no section of our population which is more logical and practical; they understand the other viewpoint, and I know it is my duty to express my opinions on such questions forcibly and honestly.

An hon. member when speaking this afternoon said something about hon. members who had invested in farm implement companies. I hold no brief for the farm implement companies, because the few dollars I placed in those companies had never brought me very much. I am willing to sell what interest I have in those companies very cheaply to any member of parliament, because I have never received any dividends except some years ago, and those small profits very likely came out of war contracts. Therefore on that score I am perfectly at ease to speak sincerely. The statements I make here I shall make to my own people, because they will be satisfied if, with a slight increase in the price of farm implements, more farm implements can be made available.

I must state frankly—I do not know how true it is—that when some farmers learned from the newspapers that farm implements were being shipped to Europe and they were not able to get them and were having a difficult time in cultivating their land, they did indulge in a certain amount of criticism. But generally speaking—and I say this sincerely—our farmers naturally accepted that increase, because they have confidence in the wartime prices and trade board and its officers, and more particularly in Mr. Gordon. He must have been a courageous and sincere man, because with his qualifications it would have been easy for him to resign his position and get another and an easier and more lucrative one. No matter what he did, whether he increased or decreased prices, there is a section of our population who would have been willing and ready to criticize him, and sometimes unfairly. We owe him a great debt of gratitude for staying in his position not only during war time, but also at the present time. Who will challenge the statement; who will say that Mr. Gordon could not step out of his position and go into private enterprise and, because of his own initiative and ability, make more money than he makes at the present time? Personally speaking, I say that there has been some unfair criticism levelled against him, but the vast majority of our people deeply appreciate his great accomplishments.

With regard to price controls, I have always maintained that it is the primary duty of the department to educate our people, to make them realize the necessity of price control. After a person has been fairly warned; after the organization work has been done, and the proper publicity given to the necessity of price controls, if infractions take place in these controls the law should take its course. A splendid job has been done in that connection.

I must confess that I do not claim to know all the ramifications and all the details of price control. To do so would be presumptuous on my part. I believe it was necessary during war time, and I believe it will be necessary for a number of years to come. To think in terms of ten and twenty years is to try to fool ourselves. The era of laissez-faire has gone forever, whether it is industry, farming, labour, finance, or any other occupation. The time has arrived when, for the welfare of every section of this population, the government must, of necessity, interfere to some extent with the affairs of these organizations and social groups. No matter what we may think or say—and I have no grievance against anyone who expresses his own opinions—under our present system, which I hope will be maintained indefinitely, the capitalistic system must, of necessity, revise its way in many instances in a drastic way; it must be progressive in the full sense of the word; it must realize that controls that were existing during the war will also be necessary to a limited extent after the war is over, for the good of the whole population.

I have in my hand the report of a speech made by Mr. C. L. Burton, president of the Robert Simpson Company Limited. I have no real criticism to offer in regard to it, because he spoke as a good business man, a man who knows big industry and the questions of the big retail and wholesale houses. However, you can see in that speech how quickly he would like to see these controls done away with. I believe in these remarks he was voicing his own sentiments, as a prominent business man; but whether or not the Progressive Conservative party took a lead from this speech, I believe the policy of that party also is to do away with controls immediately. That is often mentioned in the Conservative press; time and again on the floor of this house they come out clearly and strongly with statements that price controls should be done away with at once. I do not believe they really want price controls done away with immediately, but that

has a fine political ring at the present time. Any person who has been prosecuted under the law for infraction of these controls, for instance, certainly is not sympathetic toward them. But I believe that at the bottom of their hearts hon. gentlemen opposite, hope the government will continue the policy they have followed up to the present, in gradually retreating from control but not giving it up entirely, because they know that controls are absolutely needed. I believe I am perfectly safe in making that statement. These are some of the statements by Mr. Burton:

> Canada's urgent need to-day is to cut out controls and promote production.
>
> Canada must choose—and should choose soon—in order to establish the standard of living she wants. We have two choices:
>
> 1. Large production and full employment; or
> 2. Small output, and unemployment, due to price ceilings and wages control.

No one has yet shown that price ceilings or price controls have been or will be the cause of unemployment. Then he goes on:

> Controls were universally accepted in war time. Their administration was successful during the war, having the full support of both government and business, as well as general acceptance by the public. True, the introduction and maintenance of controls were accompanied by no small measure of publicity, and various programmes of propaganda, but on the whole wartime administrators and controllers did a good job.

If they did a good job during the war, they are doing a good job at the present time, too.

> It will be generally conceded that those controls were essential which kept out of civilian use goods necessary to the forces. In any event, whatever differences of opinion there might have been during the war were subdued and submerged in the general patriotic effort against our enemies.
>
> Now that the war is over, controls over wages and prices are on longer needed nor are they in the public interest.

In reply to Mr. Burton I would say that the public know better. To-day the public know certain safeguards are absolutely necessary, in the form of controls. In my own section of the country, about seven months ago rent control was lifted, and in some instances rents increased by as much as 200 per cent. The people who had been inclined to criticize rent control immediately became aware of how necessary and how beneficial it had been to the country as a whole during war time.

Then Mr. Burton mentioned the shortage of goods, trying to tie it up with control. No businessman could make this nation believe that the shortage of goods is due to these controls, because the controllers have studied that situation from all angles. I do not suggest that errors have not been made. I believe the controllers have made mistakes; they are human, and they would be the first to admit it. But they have diligently rectified their mistakes. I repeat, however, that the shortage of goods to-day is not due to price controls, though I am still puzzled as to why certain things are done in some quarters. For instance, I can go into any store in the city of Ottawa, or, for that matter, any part of Canada, and buy all the neckties I want at anywhere from fifty cents to $5.50. These ties must represent a lot of good material. On the other hand I cannot buy a man's shirt. I should like those sitting in the front row here to look into that question, because there must be some shirting material and some shirts somewhere. If it should be found that shirts were being hoarded in order that higher prices might be obtained, then I would ask the authorities to bring those concerned immediately before the courts of this country. I make that statement deliberately, because some lines of the retail trade are absolutely famished. I do not want to impute any ulterior motive as far as industry is concerned, but I am puzzled as to why in some stores there should be all kinds of goods, goods of only limited value as far as real wear is concerned, while in the staple lines it is almost impossible to buy anything.

Mr. GRAYDON: Lots of ties and no shirts.

Mr. BRADETTE: Yes; and something must be wrong somewhere. I know that is where control is absolutely needed. Personally I would not go so far as to say that some traders are hoarding, but certainly there is nothing practical or logical about the situation.

It is often maintained by the official opposition during discussions in this house that our farmers should receive the same prices as United States farmers. When we deal with fiscal and national matters in this house, we are dealing with our own national economy. We do many things as well as and some of them better than they are done by our American friends, while there may be other things they do better than they are done in Canada. Would the proponents of parity prices as between United States and Canadian farmers apply the same principle all along the line and say that all production in the two countries should be on a parity? That would be Americanism with a venegeance and would be absolutely impossible of application. Many goods are cheaper in Canada than in the United States, and vice versa. I believe our farmers realize the situation. It is only natural that they would want a higher price for their wheat when they see a higher price paid in the United States. It is only natural that they would want a higher price for their meat

when higher prices are paid in the United States. But, as the Minister of Agriculture (Mr. Gardiner) said a few days ago, our farmers realize that this is a matter for the future as well as the present. The farmer always thinks in terms of long periods of time. When he puts the seed in the soil in the spring he knows it will be a matter of months before he gathers the fruits of his labour. The same thing applies to the public policies of the farmer. He does not look only to the immediate future; he remembers vividly when he received higher prices for his wheat after the first great war. He was not very happy under those conditions, because he knew that those prices were artificial, that they were not normal prices and that there was bound to be a reaction which would be detrimental to the wheat growers of Canada; and that was certainly what happened.

I should now like to quote from an article which appeared in *Life* magazine last month, dealing with farm problems and production in the United States. I wish to make it clear that these comments relate to the United States farmer, and that I deal with this question only because it was brought forward a few weeks ago by the leader of the Progressive Conservative party (Mr. Bracken) in asking for parity prices as far as meat and wheat were concerned. But this will show what happens in the United States, that even with the present high prices for farm products generally speaking the United States farmer is not happy. These are some of the comments:

> The name of American farmer has never had a "nasty taste" before. He has been thought of rather as the backbone of our nation: as a man who works harder, lives closer to God and nature, drinks less, raises stronger sons, votes more thoughtfully and is generally a better citizen than his urban brother. He is also thought of as getting the short end of the economic stick. But as the American businessman knows and the labour leader is learning, no stereotype is shatter-proof forever. Is it the farmer's turn to lose his reputation?

Then it goes on to explain that under war conditions the United States farmer, the same as the Canadian farmer, under a great handicap due to a shortage of labour, had so increased production that it astonished the nation and the world. These are the words:

> To make all this money, and to feed our armies and allies, the American farmer increased his output during the war by over 30 per cent. He had to hump himself to do it, for the farm population (despite draft deferment and other attractions) actually declined. In fact the U.S. farmer worked like a horse from dawn to dark and nature assisted him with one of the longest spells of drought-free weather in our annals.

The next paragraph deals with climatic conditions. In the same way as did the Regina *Leader*, it tells the American nation the conditions under which the farmer has been working, always relying almost implicitly upon the whim of nature, and at the mercy of drought, wet weather, rain, early frost and so on. Then it continues:

> The farmer whose lobbyists are among the smartest and toughest in Washington, is a political force more powerful than his numbers. But when LaGuardia began to breathe life into UNRRA and Hoover took over the famine emergency committee, fires were started both to the left and to the right of the farm politicians, leaving them nowhere to hide their naked greed. With the country at large declaring its willingness to be rationed and an almost scandalous glut of black-market meat, there had to be action.
>
> Meanwhile the farm lobbies were helping congress beat the pulp out of OPA.

I want the house to remember this, that apparently the United States public is in favour of maintaining the activities of OPA. It continues:

> The end of OPA would mean that grain prices would go still higher; this prospect made the farmer hold on to his grain still tighter. So to lure the grain to the dockside, government action had to take the form of a bribe.
>
> First the farmer was offered a certificate guaranteeing him the benefit of any price increase that might occur after he sold his grain. That didn't work. Then he was offered a flat 30-cent bonus on every bushel of wheat (bringing it to $1.85) or corn (to $1.41) he sells for export before May 25. That is working a little better but not well enough. Under-Secretary of State Acheson is even talking about "seizing" the grain. At last week's official count there was twice as much wheat on the farms (some 200 million bushels) as the U.S. really needs for reserves. It is not enough to save the world, or even to fulfil our promises, but it is enough to choke the farmers who are hoarding it and damage their reputation for a long time to come.

The record of our farmers shows no hoarding; there has been no holding back, no absenteeism, if I may use that expression. No doubt they were not pleased when there was an increase in the price of gasoline. There was no rejoicing in their ranks when there was an increase in the price of farm implements, but they take these things in their stride. At the same time they know they are one of the great corner-stones of our national economy. They realize, too, that the time has arrived when, of necessity, they must more and more be recognized. These are not times when our farmers should be satisfied to be the forgotten men in our nation or in any nation.

The farmers recognize their strength. At times they have organized politically, because they have felt in their hearts at times in the past that they did not receive the attention they deserved in the national or provincial forum. It was due to that pressure and the logical arguments that two years ago floor

price regulations were instituted by parliament. I hope it will never be necessary to apply them. However, we know that international markets are very uncertain things, and that one cannot know what the conditions may be from day to day, or from year to year. But we do know that under that legislation our farmers, who comprise one of the finest sections in our population, under any conditions will receive satisfactory remuneration for their labour.

I have not time to discuss this matter at greater length. But I must say that our Progressive Conservative friends, and the press which supports them, would not be absolutely satisfied if price controls were entirely destroyed. They realize that those controls are necessary. Those of us who are somewhat older remember what the farmers got between 1917 and 1921. I have known a farmer along the Montreal road, for instance, who bought a farm in 1918 for $17,000, which was a reasonable price at the time, and who, after making a payment of $5,000, had to let it go because of the deflation which followed inflation. It was impossible for him to meet his payments.

We do not want a repetition of that; we want farm values to be maintained. I repeat that, generally speaking, to be succesful the farmer must possess the qualifications and abilities of a businessman, a professional man, and a financier. He knows that, of necessity, he must fight for his rights but, at the same time, he will never want anything that is not logical and practical. But I wish to make it very plain also, that he will never want to go back to years in the past when he was the one who was paying the shot, and suffering for it.

I hold in my hand some editorials from *Saturday Night*. After a thorough study of the situation those who write in this periodical have come to the conclusion that, of necessity, a certain amount of control must be maintained. They go so far as to say that if, owing to the fact that the war is now over, the wartime prices and trade board should be dissolved, there would be a wish that the Minister of Finance might include in his own department a branch almost equivalent to the present wartime prices and trade board, in the matter of controls.

I shall quote only one paragraph from the Winnipeg *Free Press*, headed "Fighting Backwards," and stating:

> The wartime prices and trade board is effecting what might be called a fighting retreat, holding each line up to the point where the rising flood of supplies makes further control unnecessary. In attempting this difficult manoeuvre it is obvious that mistakes will be made and that injustices will arise. This is inevitable.

But the over-all gain to Canada of maintaining the controls is far greater than any of the vexatious mishaps which take place from time to time. The pressure to remove the controls is very great. It comes, to far too great an extent from politicians who seek an easy platform success by wanton utterance. They appeal to the narrow interests of the group they happen to be addressing and thereby neglect the national interest.

In wartime, greatly to the nation's credit, such appeals were ignored. They are far more dangerous to-day when the inspiration and discipline of war have vanished or grown stale. A further effort is needed.

I am going back to my constituents, and I will continue to fight for practical price control. It is not a sympathetic move; it is not popular. But I believe that in doing that I shall do my duty to my country and as a representative of my people, in speaking my mind on a question which, in my viewpoint, will be a great factor in recuperation during the post-war period.

At six o'clock the house took recess

After Recess

The house resumed at eight o'clock.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, since May 6 we have listened to a great many speeches on this general subject. I gather from all the speeches that everyone who has spoken has his heart in the right place; he wants the same thing. The great problem arises when he tries to determine how to get it. It seems to me that we ought to face realities in a realistic fashion. We live in an age of science. Let us therefore be scientific in our approach to the problem which is now before the house.

The matter that we are discussing has been raised by two amendments and there have been two main questions under discussion: First food production and the dangers of discouraging food production through unsuitable prices and the need for encouraging food production by suitable prices; and second the distribution of the burden of maintaining the government's price stabilization policy and specifically the fairness or unfairness of the share of that burden being borne by the food producers of Canada or by the workers of Canada.

The amendments assume that the share of the burden at present carried by these two groups is unfair. The amendment blames the unfairness upon the government's price ceiling policies with respect to farm products and the amendment to the amendment blames the unfairness upon what it terms "the government's policies of permitting recent unjustifiable increases in the price of farm machinery and of steel". Theoretically we are now dis-

cussing the amendment of the hon. member for Qu'Appelle (Mrs. Strum), but actually we are discussing both the amendment moved by the hon. member for Qu'Appelle and the amendment moved by the leader of the opposition (Mr. Bracken).

In this discussion I felt that the members had a right to expect certain things. These things in large measure they did not get. I have been disappointed. I had expected some sort of scientific approach to be used. Only about three members of those who spoke used the genuine scientific approach to the problem before us. There came into my mind certain questions. First, what is the cost of the government's price stabilization policy? I do not recall that any member stated what the cost was. Second, who are the various classes of people in Canada who to-day are bearing a share of this burden? The producers and the workers are mentioned; call them groups "A" and "B" and tell us then what would be the other groups, "C", "D", "E", et cetera. Third, what is the share of that burden at present borne by each group, and how is that share computed? Fourth, what ought to be the share of each group, and how is the amount of that share to be computed? Fifth, to what extent does the share now borne by each group differ from the share that ought to be borne by that group, and why? Sixth, to what extent has the price increase in farm machinery and steel contributed to the difference between what each group now bears and what it ought to bear, and how? Until these questions are answered I fail to see how those who moved the amendment and the amendment to the amendment can establish their case at all.

When we turn to the Progressive Conservative amendment the house needed, in my judgment, to have the leader of the opposition name all the classes of food producers, primary and secondary, and indicate the validity of the amendment by reference to each. Probably he had in mind no such comprehensive programme, but it seemed to me that that should have come out, judging by the wording of the amendment. We ought to have been told of the situation of the producers of each of the grains, wheat, oats, barley, rye; each of the meats, beef, grass-fed and feedlot fed; pork, mutton, poultry; each of the Canadian-grown commercial fruits, apples, pears, peaches, plums, prunes, apricots, strawberries, raspberries, grapes, loganberries; and each of the major processing vegetables, peas, beans, corn, tomatoes, as well as potatoes, milk, eggs, honey, maple products and beets for sugar-making. Until all these are dealt with I fail to see how the leader of the opposition can establish his case, judging by the wording of the amendment.

We also ought to know what should be the price for the fishermen engaged in freshwater and salt-water fishing. Instead of having a scientific treatment of the whole case, what the members have had, as far as I can judge—and I have listened closely—is a rambling, ill-connected parliamentary talkfest, establishing hardly any fact except that something is seriously wrong with wages and prices in Canada, and tending to scarcely any conclusion other than that something drastic ought to be done about it. I believe we were all agreed on those two propositions before either the amendment or the amendment to the amendment was moved.

Just now in our national life the need is great and urgent that the members of parliament establish many important facts; that they reach many sound conclusions, and that they frame and adopt many vital policies. What we need above all things, in my judgment, in order to do these things is knowledge, detailed knowledge, and that knowledge, Mr. Speaker, at the present time is completely beyond the ordinary member of parliament. He simply cannot get it. I am not so sure but that it is beyond the cabinet ministers.

That something is very seriously wrong, we can judge by the fact that beef prices are not producing the results that we would have them produce; and by the fact of a threatened milk strike in Ontario, with literally thousands of milk producers threatening to pour their milk out on the ground or to waste it some other way unless they are given a $3 advance. These men know what it costs to produce milk, and they declare that they simply cannot produce milk at the price it is going to be, with costs as they are at the present time.

To show how serious the matter is, I am going to put on *Hansard* a letter in which I know the Minister of Finance (Mr. Ilsley) will be deeply interested. May I, in passing, congratulate the Minister of Finance because, while there is hardly a man that is more badgered than he at the present time, he is, all things considered, standing right up and taking it on the chin like a man. But just the same there are reasons for differing with some of his policies, and I am sure he realized that. This letter will be interesting to him and to the Minister of Agriculture (Mr. Gardiner). It comes from the Lethbridge Central Feeders' Association, Lethbridge, Alberta. These people feed thousands of beef in pens every year and are consequently, I suppose, about as well equipped to pronounce

on the soundness of the price structure as it affects beef as any group of people who could be found. Here is the letter:

Lethbridge, Alberta,
May 7, 1946.

Mr. John Blackmore, M.P.
Ottawa.

Dear Sir:

We appreciate the interest you take in our situation and trust that the following data will be sufficient to supply your needs.

Our contention is that the horizontal ceiling on beef works an undue hardship on the feeder who has to sell grain-fed cattle under the same price ceiling as the rancher marketing grass-fat cattle. The horizontal ceiling ignores the position the feeder plays in producing beef tonnage for late winter, spring and early summer months when beef is normally in short supply. United States has recognized the importance of the feeding industry and has acted accordingly. If our own government fails to recognize the importance of the feeder by allowing him to market his products under ceilings commensurate with his costs then the cattle finishing industry will suffer a tremendous set-back.

The average daily gain over a period of years in our feedlots has been 1¾ to 2 lbs. per day. To put this on requires:

	Cents
(a) Grain—10 lbs.—No. 4 wheat at 99 cents including subsidy	16·5
or barley at 68 cents including subsidy	14·2
Average	15·3
Oats at 47 cents including subsidy (not purchaseable at this price)	
(b) Hay 12 lbs. at $16 per ton.....	9·6
(c) Pulp—40 lbs. at $1.50 per ton delivered	3·0
(d) Molasses—2½ lbs. at 1 cent per lb.	2·5
(e) Death loss—3 per cent	2·0
(f) Labour	2·0
(g) Interest, feedlot depreciation, commissions and other expenses	2·0
	36·4
Total cost per lb. of gain.....	18·2

For all practical purposes 12 cents per pound live-weight can be considered the top price expected for finished cattle under present ceilings. A feeder therefore is losing 6·2 cents per pound of gain.

Might I interject there to point out to the house how serious that is, if a man feeding cattle in a feedlot is 6·2 cents worse off for every pound of meat he puts on the animal, then obviously something is seriously wrong.

Mr. MacNICOL: He ought to stop it.

An hon. MEMBER: Shoot the cow.

Mr. BLACKMORE: I go on with the letter.

If the animal gains 250 pounds the total loss would be $17.32 per head. To compensate for this loss he must expect a spread in price over the in-going cost of his cattle. This spread must not only make up for his loss on the gain but must give him a profit which any business man expects who assumes such a risk. As the average farmer-feeder feeds aproximately 100 to 150 head, a per head profit of $15 would not be excessive.

Assuming the in-going weight of the animal to be 750 pounds the feeder must envision a spread of 4·33 cents per pound before he feels it will be worth while to feed. In other words he must buy his feeder steers at 7·67 cents per pound in order to operate. Try to do this.

For the past few years our feeder cattle have been bought in direct competition with the packers who in the fall, will purchase anything with a kill on it. The only type of animal left for the feeder would be the skin and bones variety which the packer will buy for bones at 8 to 9 cents anyway.

Unless adequate increases are provided for grain fed cattle, either through direct subsidy to the feeder, or seasonal ceiling changes, you may rest assured that the cattle feeding industry in the west will come to an end.

Yours very truly,
Lethbridge Central Feeders,
Per A. D. Palmer,
Office Manager.

I thought that the committee would like to have that on *Hansard* so that they could study it. I believe that the leader of the opposition will be pleased to get that information, because it exactly supports one of the statements he made. Still, nothing is said about what to do about it, but there is the situation with respect to beef feeding in my constituency, which, I believe, is one of the finest beef-feeding areas in the country.

To see how difficult is the situation with respect to labourers, all we need to do is recall the strikes which are on at the present time or being threatened right now. According to my information, we have a lumber strike in British Columbia with reportedly 37,000 out; we have the seamen's union strike called for June 3, with 35,000 seamen, and a declaration that they will call out the seamen of the deep sea unless they are able to get results. There is a copper strike, according to my information, with work stopped at Anaconda America Brass Limited, New Toronto; and a rubber strike is threatened. It may be said that these conditions are to be expected at the close of a war. Those of us who have gone into matters of this kind have been impressed, I believe, with the case of these men. I personally have been greatly impressed; I have wondered how men could face life with anything like confidence while deriving such a low income from the work they were doing, and I believe something simply must be done.

I am not endeavouring to blame anybody. I am not unduly criticizing the government; I sympathize with the difficulties they are in; but then, there is the difficulty, and it is a challenge to the house. Something simply must be done. My regret is that in all this

debate we have just been complaining; we have been offering no solution. In our time we are moving among conditions new and strange to see. The world is seething; we are haunted by countless anxieties; we are threatened with dreadful dangers at home and abroad. Never was there a greater need for accurate knowledge, intensive, extensive and comprehensive, never such insistent need for courageous, realistic, epoch-making thought and action, and I submit that just such is demanded of the members of this house.

Someone will say, "Well, what has social credit to say about the question at issue? What has it to say about controls and all the rest of the questions which are being raised?" Perhaps I should give a little attention to that matter.

The social credit reaction to the questions under discussion is about as follows. First, with respect to controls, social credit does not advocate the removal of the controls too rapidly. It does not advocate maintaining controls too long. But the word which social credit likes to use in respect to controlling prices is "regulation". Regulation does not connote so much regimentation, so much threat of legal proceedings. Social credit proposes to induce fair wages and prices. There are two different ways of going about a thing: one is to force people to do it; another is to lead them to do it. Social credit believes that it is possible to organize even our society in these terrible times on the basis of inducement, and we propose to induce fair wages and prices by two main means: first, a guarantee of equity and stability; second, subsidies on primary production and compensating discounts on secondary products as they go into consumption, and wage bonuses. That, in brief, is the system and general attitude of social credit on the matters under discussion.

With respect to prices we maintain that the price subsidy is the correct system to use. We heard with regret the government's decision to remove the two-cent subsidy on milk. We considered it a most unwise move. The government should have maintained that subsidy and enlarged and applied it far over the wide field of prices. As the days and years go by, if we are fortunate enough to see them go by without too much disaster, it will be found that the subsidy is the secret of maintaining primary production prices for every kind of primary product.

With respect to secondary products, Social Credit believes in having the government pay a portion of the retail price on such acommodity as, for example, a binder. Consequently anyone who noticed what Social Crediters said will find that when the 12½ per cent advance on machinery prices was announced, we stated, "We are not arguing that the advance should not have been made, but we are arguing that the farmers should not have had to pay it." If there had to be a 12½ per cent increase, if that had been found to be necessary, then that 12½ per cent increase should have been paid by direct government subsidy.

The question arises: Where will you get the money? I will discuss that point later. In the meantime, let me say this with respect to wages. Our men everywhere are dissatisfied with their wages, some justifiably so, some perhaps unjustifiably. I do not know. But where a wage increase is to be granted, that increase should take the form of a government cost of living bonus. There are some industries which are probably able to pay an increase in wages without raising prices, but all industries which are not able to do so should be assisted by the government with a definite wage bonus.

This will sound strange; it will sound epoch-making; it will sound entirely new. But just a moment's reflection on the part of hon. members must convince them that there is soundness in the proposal, because at the present time, every time labourers strike they force prices up, and when prices go up the labourers strike again to bring wages into line with prices. So that you have a vicious circle, a spiral leading to inflation, never ending.

There is only one way of dealing with that situation, namely, to determine what labourers ought to receive in any given industry, by mutual consent, study and understanding, and to see that they get it; and if the industry involved cannot pay the difference the government should. That is the social credit idea on wages.

What is the fundamental scientific approach of the social credit philosophy? First of all, social credit says: What you are to do in a nation depends entirely on your ability to produce. If you can produce enough goods of a sufficient number of kinds, you can give people pretty nearly any income which those goods can support. If you cannot produce goods, you certainly cannot have an income. If, however, you can produce goods, you ought to be able to have an income, and therefore social credit's whole approach is based on the answer to the question, how much goods can your country produce, and of how many different kinds?

Therefore the first thing that social credit would ask with respect to Canada is this. Let us have a national account book set up in

Canada in which we will record, with such accuracy as we can achieve, first of all actual production in the country to-day—production of every kind what we are producing in every industry; second, what would be the capacity production? That is to say, are we producing as much as we could? If not, let that be set down. Then, what would be a reasonable estimate of potential productive capacity, considering the coal deposits, the forest wealth and all the other deposits and resources we have. What we ought to be able to produce in the way of coal, lumber and so forth, the probable potential productive capacity, should be set down.

With that information the government would be able to draft a policy for the future, looking to increasing production and thereby raising the standard of living in the country. Having set this down as the fundamental basis upon which to work, social credit would say: You will next proceed to stimulate production to the desirable maximum, production of every kind of goods, and you should aim in a general way to make your economy as nearly self-supporting as you can. It is foolish to import rubber when you can make it; it is absurd to import sugar when you can produce it; and so on. The more nearly you can come in your economy to producing the necessities of life, the more capable you are of being independent of external influences, and the more capable you are, therefore, of governing the price structure and every other factor pertaining to the standard of living in your country. That is the general idea of social credit.

We favour a sort of national economic independence in the nation. We favour the use of our total resources, both man-power and natural or material resources, in so far as that total use is necessary to obtain the desired standard of living. If the people want a high standard they must be prepared to work in order to get it. If they do not want to work to produce, then naturally there is no income for them. Once people all over the country realize that the standard of living which they can have depends upon the amount of goods they can produce, their whole outlook on the surrounding economic situation will change.

Having stimulated production to the necessary degree, social credit says that you must stimulate consumption. There is no use in producing if you cannot consume. In normal times social credit would stimulate consumption by using wage bonuses, subsidies on prices, and by direct distributions of consumer purchasing power, taking the form of wage increases or dividends, or whatever form it may be found necessary or agreeable or desirable to issue it. Having taken care of the stimulation of production and consumption to the optimum degree, then social credit would say that you could raise the standard of living in Canada to the highest point consistent with Canadian production and Canadian productive capacity.

When social credit makes that statement it is completely in agreement with practically every speaker who has spoken in the C.C.F. organization and most of those who have spoken on both sides among the other parties. The question is, how to attain the objective? Social credit maintains that it has one or two ideas which are quite different from those advocated by any other groups in the house. Having raised the standard of living to the desirable level, social credit would say, we will now pay off the national debt with our surplus production. This is a note of hope. As far as I can make out, the concept of the Liberals and the concept of the Progressive Conservatives—I am not prepared to pronounce on the C.C.F. because they have not said very much about it—the concept of the two old line parties is this: If you cannot wring money out of the pockets of the taxpayers you cannot pay off the national debt, you cannot pay the interest on it.

Social credit says that is just pure nonsense, for you can pay your debt off with your goods. If you can produce enough goods you can pay your debt, provided that you manage it rightly. Then the question rises: Can Canada produce these goods? Well, I do not think there is anyone in this house who doubts that Canada can produce enough goods in ten, fifteen or twenty years, with all her productive power, to pay off her debt, and still maintain a high standard of living. But the question will be raised: Where is the money to come from? I wish to word very carefully what I am about to say so that every member can get its exact meaning. The money must come out of production. The commodities we can produce in excess of what the consuming public can purchase with the money they can obtain under the present debt-creating financial system—such commodities can be represented by the government with commodity dollars. The question will arise in the minds of some—I can almost see it written on the faces of some—how can you have commodity dollars? In this war we have seen developed a splendid example of commodity money. During the war the British, needing goods from members of the sterling bloc, created pounds and bought the goods they needed from the members of the sterling bloc. These members now hold these pounds. These pounds are redeemable in British goods, and just as

soon as the British can produce the goods to cover these pounds they will pay the members of the sterling bloc in goods and recover the pounds.

These pounds are not backed by gold; they are backed by British goods, both those that are produced and those that will be produced. These are commodity pounds. Commodity dollars can be created in Canada too. Such dollars created to the extent to which we have production can be used in stimulating production, financing consumption and raising the standard of living of all Canadians.

There are certain things that I think ought to be done now. I do not suppose it will do very much good to talk to the house about ideals and things to be done in the future. Let us see what we can do to-day. What can we do within the remaining weeks of this parliamentary session? These are the suggestions that I would offer. We need facts above all other things in this house to-day. Therefore we should appoint a fact-finding commission a royal commission if needs be, or fact-finding commissions, to ascertain for us in a thoroughly dependable way the information we need; and this they should do with all possible speed. I would say we should set to work a commission or as many commissions as we need to find with all possible expedition the whole truth bearing upon about eight main problems in the country: First, the production of goods in Canada; much of the argument and discussion that has gone on in this debate has been the result of insufficient knowledge, inaccurate knowledge regarding production costs. We are not in a position to get that knowledge; it is not available. A commission with such skill and of sufficient size and with sufficient money should be appointed to get that information in respect of every item of food production in this country; then everything of truth with respect to the morale and efficiency of workers. How much does a workingman need? How much ought he to have, first of all, if he is married, and, second, if he is not? How much of it should be left free of taxation? We wrangle about it in this house and nobody ever decides; nobody has any means whereby to decide. Certainly we ought to have a commission to find all these facts. Here we have the seamens union threatening a strike. Is their stand justified? Only a fact-finding body can determine the matter and give us the information with which to work. There are other topics about which we should have the full truth, namely, the justifiable cost of processing foods such as butter and cheese, canned goods, meat packing, sugar manufacturing and flour milling.

Look at the tremendous amount of talk we have had in the house regarding what packers are able to make. What a fine thing it would be if we could have the result of a commission's investigation on this whole matter! Another matter is the cost of transportation of both freight and passengers by train truck and bus. In the west we feel ourselves deeply aggrieved at the freight rates. We ought to know exactly to what extent we are justified in feeling aggrieved. Only a fact-finding commission can determine this matter for us. We should have the facts concerning distribution, the cost of wholesaling, jobbing and retailing. We should have the cost of shelter, the cost of all kinds of building materials and of fueling. We should have the details concerning the cost of clothing. What should be the price of wool, of rayon and other clothing material? What should be the cost of processing this into the clothes that people need?

Then we should have the Canadian potential standard of living. Only a royal commission can ascertain that. We should have a national account book set up by a royal commission, showing our total potential productive capacity, and our total production, consumable or potentially consumable by Canadians, and the reductions which are essential for public service at home and abroad. Then we should have the deductions essential for servicing our debt, the deductions essential for maintaining our defence, the deductions essential for replacing capital goods and any other essentials which can be found. We should have a commission at work on this problem.

Then a commission should ascertain how we can in Canada develop the maximum consumption. Social credit has a set of proposals which, in the judgment of the Social Crediters will distribute the goods of Canada among Canadians. There are those who challenge the social credit stand; but my stand is this: If a better system than social credit cannot be found, then social credit should certainly be adopted; it certainly should be examined. It should be examined in an atmosphere in which, when a Social Crediter stands up, some silly, thoughtless creature will not shout out "25 a month", or some other idiotic expression. That is the kind of thing we hear. It is utterly impossible to have the matter fairly considered in this house.

You have never had a royal commission in Canada or anywhere else; certainly you have never had one in Canada, scientifically study social credit with the Social Crediters there to present their case. I do not think

we have ever had a careful investigation into the method of distributing the goods in the country, and yet this is the main problem which needs to be solved. We have solved the problem of production; we do not know how to distribute. The need of such a commission as I have indicated was clearly shown this afternoon by the Minister of Finance (Mr. Ilsley) when I asked if he would give us a list of the goods which are in short supply. The minister foresaw that he would not be able to answer that question because he did not know where he could turn to get that information. In my judgment that is the very thing the minister ought to be able to turn to without hesitating a second. We ought to know the goods which are in short supply in this country. We ought to know why they are in short supply. We do not know that. How in the world can we go about scientific housekeeping in this country when we know so little about the essentials?

I maintain that Canada should forthwith begin to prepare to put her house in order. It is high time that Canadians as a whole found out just where they stand.

Mr. LEWIS MENARY (Wellington North): I wish to say a few words to-night on the question to which I was refused an answer yesterday, namely, question No. 19 on the order paper of May 22, which reads as follows:

> Is a manufacturer of farm implements permitted to claim the increase in price authorized on April 13, 1946, in cases where implements were ordered and deposits made thereon prior to the increase?

I should like to ask the Minister of Finance (Mr. Ilsley), what is a contract? I should say it would be an agreement between two parties; and if this is not a contract it is a sad day for the people of Canada. How much money could I get from any bank if I said that even after taking a deposit I was still in no way bound to sell? I have had various letters from my riding with regard to a former ruling by the Minister of Finance concerning the price of machinery sold prior to the date of the order, without deposits paid on the machines. These were just ordinary contracts taken prior to that date. As a matter of fact, I understand that one dealer, on his understanding of the interpretation by the Minister of Finance of my question, agreed to deliver to his customer a tractor that had been sold prior to the date in question.

The question I asked yesterday was in regard to six small threshing machines, three of which have already been delivered. These machines were ordered either last fall or not later than January of this year. The company accepted these orders at $800 each; and when the agent sent in the orders, prior to the effective date of the increase, each order was accompanied by a deposit of $100. The implement manufacturer did not want to make 100 threshing machines and have some left on his hands, so that the agent was compelled to take a deposit of $100 from each farmer and turn it in with the order. This he did; the orders and deposits were taken and accepted long before this increase was considered. If these orders had been given just prior to the price going up, it might have been a different matter, but now this increase will bring the price to $900 for the three farmers who have not yet received their machines.

It is things like this and the removal of the milk subsidy that make the farmer feel he is being unfairly dealt with by the government. I believe the minister should reconsider this matter, in the light of this explanation. Certainly it seems to me that orders taken in 1945, before there was any mention of an increase in price, should be valid. Even if the orders were taken in January, 1946, there was still no mention of an increase in price at that time. In all fairness I ask the minister to reconsider the matter. It is important to the farmers of the country, and particularly to these three farmers who are still waiting for their machines. Could the minister give me an answer now?

Mr. ILSLEY: We are not in committee, Mr. Speaker, and I am not in a position to answer the question. This is a question which was put on the order paper yesterday, is it not?

Mr. MENARY: Yes.

Mr. ILSLEY: I think I shall have to see the documents and obtain legal opinion on the matter. Possibly I could get that from the solicitors of the wartime prices and trade board.

Mr. MENARY: I may tell the minister that I have had legal advice.

Mr. SPEAKER: Order. I must call the attention of the hon. gentleman to the fact that we are not in committee.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, when the amendment to the motion to go into supply was moved by the leader of the opposition (Mr. Bracken) I took occasion to address the house on that amendment. To-night, therefore, I intend to confine my remarks largely to the subamendment which has been moved by the hon. member for Qu'Appelle (Mrs. Strum). However, I should like to call attention to the suggestion made by one or two of the speakers this after-

noon in comparing the wording of the two amendments. The amendment of the leader of the opposition is in these words:

This house is of the opinion that the government's price ceiling policies with respect to farm products are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

The suggestions made by hon. members of the official opposition are to the effect that they are opposed to the ceiling prices we now have on farm products, and from their remarks in that connection I assume that they hold similar views in regard to the general policy of maintaining ceilings. In other words, I take it that their feeling is that we should remove controls to the extent that they affect the establishment of ceiling prices, and thereby permit all prices to go up. The C.C.F. amendment is in these words:

This house is of the opinion that the government's policies of permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in imposing on food producers and workers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

From the wording of this amendment and the statements made by those who have spoken in favour of it, I assume that the C.C.F. party places very strong emphasis upon the stabilization of prices.

Mr. CARDIFF: "Unjustifiable."

Mr. GARDINER: Yes; they say "unjustifiable", but they place strong emphasis upon the stablization of prices. In that regard to a certain degree they support the policy which has been advocated for some considerable time by the government. On the other hand, by confining their remarks to increases in prices of farm implements and steel they have been confining themselves largely to a certain line of criticism which has been emphasized for a long period of years in western Canada. Irrespective of party, I think we in western Canada have been opposed to high prices for farm implements, and there is an obvious reason for that. We are the greatest users of farm implements in Canada, and farm implements are more essential to the production of farm products in western Canada than in any other part of this country, in proportion to the entire cost of production. We have always maintained that it is of interest to western Canada that we should have the lowest possible cost for farm implements utilized by the farmers, particularly in that section of Canada, and it applies only in a lesser degree to the farmers all across Canada.

I should like to call attention to only one or two remarks made in relation to farm implements. I refer first to what was said by the hon. member for Souris (Mr. Ross) earlier in the discussion when he suggested that farm implements could be bought cheaper on the United States side of the line than they can on the Canadian side of the line.

If that is true—and probably it is true, because the hon. member lives within a few miles of the United States boundary line, and he should know—he can buy an implement on either side of the line. If that is true, then of course the suggestion that farm implements can go up the full amout of the increase in the ceiling is hardly in accordance with the fact. There is no duty on farm implements coming into Canada; if a person can bring an implement from the state of Montana or the state of Dakota into Manitoba or Saskatchewan or Alberta from across the boundary line, and those implements are being sold at a lower price there than they are being sold in Canada, then to the extent that they are being sold at a lower price they come into direct competition, and the price would not go up 12½ per cent.

I merely say that if implements were being sold prior to this action on the United States side of the boundary at a lower rate than they are being sold in Canada, then we are assuming too much when we assume that implements can go up the full 12½ per cent. I hope the condition is as it has been described by the hon. member for Souris, because, if it is, it changes considerably much of what has been said in this debate.

However, that was not the matter I rose to deal with particularly. I had in mind some of the remarks made a few minutes ago by the hon. member for Lethbridge (Mr. Blackmore).

Mr. ROSS (Souris): I think the minister will admit that these implements are at present in short production. I made the whole thing clear when I spoke upon it in this debate.

Mr. GARDINER: They are in short production, but to the extent that they can be purchased on the other side of the line they influence the price. We all know in western Canada that in every distributing point there are agents of nearly all the important United States farm implement companies. There are also the agents of those who manufacture implements in Canada, and if the price structure is lower on the other side, that does affect the position on this side of the line.

But the matter with which I wish to deal particularly is that of beef prices as related to feeders of live stock in Alberta and elsewhere,

and as related to others in Canada. I should like to say, first, that the last time I checked the record—and that was during a discussion in a previous session—I found that there was less than 10 per cent of the beef marketed in Canada that was produced in feeder lots and on what are generally known as ranches. I found that 90 per cent of the beef produced in this country was produced on the farms, where the farmers breed and raise their own live stock.

They are not running feeder lots. They are breeding their own cows and raising their own steers until they are of an age to be fed. Then they feed them and they put them on the market from time to time. They supply by far the greater part, or a sufficient proportion to cause us to base our arguments with regard to the supplying of beef for Canada upon the 90 per cent rather than upon the 10 per cent, when we are suggesting that we ought to do something which will assist the farmer.

I believe it was suggested by the leader of the opposition earlier, and, I understand by the leader of the C.C.F. the other evening when I called attention to the fact that the policy had been changed two and one-half or three years ago, that the condition which ought to prevail is that feeders should be in a position to go on the market in October and November and buy steers at from 1½ cents to 2 cents a pound less than the price at which they will be sold in the late winter or early spring; and that in order to be able to feed cattle at a profit they must be able to do that.

Mr. CASE: Who suggested that?

Mr. GARDINER: It was not "suggested"; it was said in so many words a few minutes ago. If my hon. friend had been listening to the debate he would know exactly who said it.

I have before me the average yearly and monthly prices for steers. These are the monthly average prices for good butcher steers at Toronto in all the years since 1914, and in all the months in each of those years. I would suggest to those who are advocating these policies that they take a look at this sheet which is published regularly, and is available to everybody. I suggest that they take a good look at it, because this is what it shows. I am now picking out five different years during that period. I take first the year 1920. In October, 1920 steers were selling at $10.78 and, in November, at $10.05. In the spring of 1921 the month of April, they were selling at $9.34, and in May, at $9.04. In February they were selling at $8.77.

In other words, under the system of no control and no regulation, the system under which it was presumed that cattle were going to remain at some particular level after feeders put in their feeding stock, what happened? They put them in at $10.78 and $10.05 and sold them at $9.60, $9.34 and $9.04. Well, they not only lost 2 cents or 1½ cents that they argued they must have, but they lost another 1½ cents on top of that, in reduced prices.

Then let us come down to 1928, which was a particularly good year. The average price of steers in that period, during the whole year, was $10.48. The prices in the months of October and November were $9.50 and $9.10. In other words, an attempt was made to carry out the idea which has been advocated here. But when we get down to the month of February we find they were sold at $9.27, and in the month of March they were sold at $9.40. It was the month of April before the price was at all above the price paid for the cattle in the fall of that year.

Mr. CASE: There were no price ceilings then.

Mr. GARDINER: No, no price ceilings then; and what I am trying to point out to my hon. friend is what he will not understand, namely, that when there was no price ceiling a policy was being followed which he and his party have been advocating ever since this debate started, and that the farmers lost more money under that policy than they have lost under any policy since then.

Mr. HARKNESS: Would the minister permit a question?

Mr. GARDINER: Yes.

Mr. HARKNESS: I suggest that the minister has taken two years in which two great depressions started. Has he the picture for the years which were not the beginning of depressions?

Mr. GARDINER: I have the figures for all the years; but I suggest to the hon. member that he requires some enlightenment when he says that 1928 was a depression year. That is the best year the farmers in Canada ever had prior to this war period.

Mr. HARKNESS: The minister gave the figure for the spring of 1929.

Mr. GARDINER: I gave the figure for the fall of 1928 and the spring of 1929.

Mr. HARKNESS: That is what I questioned.

Mr. GARDINER: The winter of 1928-29. Let us come down to 1931, which was a real depression year, and a time during which my hon. friends were in office in Ottawa. What

was the price then? It was $5.90 in October, $5.60 in November, and when they sold in the spring of 1932 the price was $5.13 inMarch, $5.13 in April and $5.33 in May. If you want to take the next year the price went down to $3.98 in October and to $4.09 in November, and they sold in the spring $5.39

To come down to 1937, the price was $6.19 in October and $5.74 in November. A Liberal government was in power then, but the policy being put into effect was the policy which is being advocated by all three groups on the opposition side of the house to-day in this debate. The price in the spring was $5.56 in March, $6.05 in April and $6.65 in May. We at least had the price a little higher in the spring than it was in the two months in which the beef was put in. But the price was not sufficiently high to make any profit such as has been talked about in this discussion.

Mr. SMITH (Calgary West): Were not those figures true during those depression years in every country in the world which raised cattle?

Mr. GARDINER: I would say that the low figures were true in every country in the world, but not the price relationship as between October and April, which is the point under discussion. I am not now criticizing the fact that prices were low during that period. But the argument is that feeders ought to be permitted to buy steers in the fall at a price 1½ cents below the price they are going to have to sell them at in the spring. What I am suggesting is that the people who are arguing that never at any time made anything out of their cattle over a long period of years, with the exception of three or four years. There has been no opportunity of making a profit in that way with the prices that have prevailed.

I would ask this further question. Why is it that that policy was brought into effect in the first place? The fact is, as every western farmer knows, that in the western part of Canada a great many cattle are on the grass, particularly in the ranching areas; they are left out on the grass until October, when they are shipped to Winnipeg or Calgary. There were so many cattle on the market in the fall that the butchers could not possibly buy them and pay butcher's prices for them. Therefore certain persons, some of them being in the governments of the western provinces, more particularly in the province of Alberta, particularly the gentleman who at that time was minister of agriculture and his assistants, conceived the idea of advocating feeder lots. They encouraged feeders to go on the market and buy cattle in the fall, put them on these feeder lots and feed them over the winter months, and thus distribute the cattle over the winter in such a way as to make it possible to market a greater number to better advantage.

Mr. SMITH (Calgary West): What year was that?

Mr. GARDINER: That was in the years preceding the war. That was the idea. That policy was advocated more strenuously by Mr. Grisdale than by anyone else during the time he was in the political life of Alberta, and Mr. Grisdale is one of the advisers of the prices board in Ottawa at the present moment. He advocated that policy in peace time, and it has something to commend it.

One of the suggestions I want to reply to is that this policy which is now in effect is a prices board policy. Strong citicism was made by one speaker yesterday or the day before—I read it in *Hansard* this morning—that the present policy is the prices board policy and that because it is a prices board policy put into effect by Mr. Gordon it ought to be opposed by this house, partly for that reason and partly because those making the statement believed that it was not a sound policy.

I wish to point out that the remarks made this afternoon by the hon. member for Souris (Mr. Ross) in relation to the prices board and particularly myself and the Minister of Finance (Mr. Ilsley) have no foundation whatsoever in fact. The fact is that in the first three years of this war I advocated continuously that that policy which had been followed prior to the war and which served the purpose prior to the war was serving no purpose whatsoever during the war except to keep down the price of cattle to farmers who had cattle to sell in the fall. Why? In the period preceding the war we could not get a market for our cattle readily in the fall of the year. Therefore we asked people to take those cattle and feed them over until the spring. The price was depressed, not by design and not by the fact that there was any particular policy in that regard but simply because there were so many cattle on the market. Those who fed those cattle in the winter months did not make as much money in the spring as people are now trying to tell us they would make if we did the same thing over again.

When the war came what happened? After 1942, particularly, we had a market for every one of our cattle that could be put on the market in any part of Canada. All one had to do to sell cattle was to offer them for sale and they were all sold.

We were told a few moments ago by the hon. member for Lethbridge that feeders, in order to buy cattle last October and November, had to go into the markets and bid against the packers; in other words, bid against the butchers whether they were packers or not. Why? Because there was a market for every pound of beef that came on the market ready to kill.

There is no one in this house who knows anything about farmers' returns who would suggest that every farmer who put on the market last fall a good butcher steer ought to take a cent or a cent and a half or two cents a pound less for it than the ceiling price made possible, in order that some farmer or some feed-lot operator near some city could take those cattle, buy grain and feed them over the winter and put them on the market next spring a little heavier in weight.

Mr. BLACKMORE: I do not argue that the farmer should take less in the fall but that the feeder should be able to get a bigger price in the spring.

Mr. GARDINER: There is no way of doing that except by having two different ceilings, and that is what prevailed down to three years ago. We had a lower ceiling in the fall than in the spring. Therefore the farmer who was bringing his cattle on the market in the fall had to take a price under the low ceiling in order that someone else could get the cattle one and a half to two cents lower than the spring price. That is the policy advocated by the feed-lot supporters now. I had a group of representatives of these feed-lot men in my office the other day, and two out of the five expressed themselves most strongly, before leaving the office, as opposed to the policy proposed and saying that the present policy was superior after it had been explained to them.

The situation does not need to be proven by anything I say with regard to it. All one has to do is to take the figures. Members on both sides of the house have been saying that what we want is stabilized prices. To go back to 1928, the average price was $10.40. The price went down to $9.10 and up to $11.48. If one takes one of the years in the middle of the depression the average price then was $5.93. The price went down to $5.60 and went up as high as $6.23.

If one takes different years preceding the war and during the early part of the war, one finds that the average from 1926 to 1929 was $9.04 for good steers at Toronto; for 1928—to go back to the year we were discussing a few moments ago—it was $11.48; for 1920 it was $12.89, the variations running all the way from $12.89 down to $9.04 back in that period in which, we sometimes say, farmers enjoyed the greatest prosperity prior to the present time.

To come to 1941, about a year and a half after the war started, the price went down from the average of $9.04 back in those years and of $10.48 back in 1928, to $8.70. At an earlier time, just prior to the war, it had been higher than that. In 1942 it went up to $10.29. It was in 1941 and 1942 that we were having these discussions as between the prices board and the Department of Agriculture. After two years of discussions, after all these men who run the feed-lots and all those who run feeding farms in eastern Canada and those who run these small farms across Canada had had delegations in and discussed the matter, we finally, two and a half years ago, convinced everyone that the present policy was more likely to bring about stabilization and give good returns to the farmers than the policy which had been followed throughout the years preceding the war and during the early part of the war. We argued it on the ground that there is a market every day of the year with war and since we began selling beef to Britain for every pound of beef that is put on the market.

Why should there be a variation in price under those circumstances? If farmers have beef to market every day of the 365 days and people want to eat all the meat every day, why should there be any variation in price or holding for better prices? The only reason there was that the variation before was because the supply was greater than the demand. Let me say to my hon. friends on the other side who are inclined to scoff at the idea of supply and demand, that the law of supply and demand has operated ever since there have been men on the face of this earth who have made any records; supply and demand will continue to operate, and anyone who loses sight of that fact is going to get into trouble sooner or later. When supply and demand were more or less balanced, as they were during the war period, what was the position? The average price in 1943 was $11.46; in 1944, $11.48; in 1945, $11.65. There has been a variation from $11.46 to $11.65 during those three years of stabilization, and prices are higher than the average price obtained in any other continuous three years since 1914. When one goes back over the months what does one find? Let us take 1944, which was the second year in which this was operating fully: January, $11.78; February, $11.76; March, $11.68; April, $11.61; May, $11.78; June, $12.04; July, $11.71; August, $11.10; September, $11.04; October, $10.51—down 53

cents—November, $10.63—up 12 cents—December, $11.04; an average throughout the year of $11.39, and with some adjustments made recently on those prices it averages out, I think, at $11.48. All I wish to say on that matter is this, that if hon. members are in favour of policies which give stabilization to farmers they must accept the policy which is in force at present as the one that has been most successful in that direction of any policies we have had since the begining of world war I down to the present time. I do not think we can improve on that record. I think experience speaks for itself. While theories are advocated by persons who have even found them to be wrong by their actual experience, we should look at the records, follow those records, and having done so, accept the conditions which exist.

Mr. CASE: Would the minister permit a question? Will he admit that export demand has had a greater influence than any other factor on our domestic price?

Mr. GARDINER: Well, some people do not like to talk about exports because that has been associated over a long period of years with what we call trade. I heard a little discussion in a place south of here in the past week in which one gentleman said that the only way we would ever get back to a sound position would be to allow the competitive element to operate freely in a world where trade operated fairly freely. Another gentleman got up afterwards and quoted figures to show what happened when we had that condition. It was not long after that till he was saying that we have more starvation in the world to-day than we ever had before. I sometimes wonder whether we get anywhere in using these general statements about things. There are so many other reasons why we have general starvation at present that I should not like to say it is because we have control of trade, and there are so many other reasons why certain things happened in certain years over the period I have been talking about that I should not like to say that any one thing caused the situation which did exist. But what I do want to say is that, in controlling prices during the last three years, in finding markets for all the meat products which we had, and in leaving a very small variation as between the ceiling price and the floor price, we have had the greatest degree of stabilization, leaving out of consideration altogether the level of the prices, through those three years, that we have had in Canada at any time, for any reason. Then, when we find that they are stabilized at a higher level than we have had for any continuous three years, and a higher level than we have had in any other three years during the whole period since the beginning of the last war, there is not very much to be said in favour of the suggestions that we change, which have been made in the course of this discussion.

There is only one other thing I wanted to say a few words about, and that has to do with the prices which we obtain for our products as compared with United States farmers. I believe the leader of the opposition asked me some time or other—probably it was during my estimates, but it will fit in here as well as anywhere—what the relationship is between prices in Canada and prices in the United States. I took the trouble to get some of those figures and place them on record the other evening with regard to hogs, and I have them here with regard to dairy products. During the last few days we have been talking a great deal about dairy products. I must say that because of something which was said to me a few moments ago by an hon. member on this side of the house I am not going to insist that this record is absolutely correct until I get back into my estimates and I shall have the information on the question which was asked me. That question was as to the relationship of subsidies on milk in the United States to prices or returns to farmers. I cannot state offhand whether there is any subsidy which affects the return on cheese or butter, but the return on butter to the producer in Canada is 48 cents on creamery butter 92 score—and it was 92 score at Montreal that I quoted a moment ago—while in New York it is 47½ cents. Cheese, first grade, 92 score at Montreal, f.o.b. factory, under the present subsidy which was announced the other day by the Minister of Finance, carries a subsidy return that would amount to 27 cents, and the return on No. 1 Cheddar, United States, at Wisconsin cheese exchange is 27 cents. I gave figures the other day to indicate the return on hogs, showing that it is practically the same as it is in the United States.

Mr. HACKETT: Is that in the same exchange? Is it Canadian or American?

Mr. GARDINER: I believe that is figured out in a manner which brings about a proper relationship, just as it was in the figures I gave the other night with respect to hogs. This was figured in the same way at the request of the leader of the opposition, and if there is anything wrong that enters further into the question I shall be pleased to produce these figures when we are discussing my estimates.

What I would point out is this. Under our adjustment prices we have dealt with hogs; we have dealt with cheese; and the results

are as I have indicated them in relation to prices on the United States side of the line. The two products we have not yet dealt with are beef and wheat, and there have been some discussions here with regard to these products and some suggestions as to what we might do or ought to do. All I wish to say to-night is that these two products have not yet been finally dealt with; and when hon. members are voting with regard to these amendments that are before the house, if they are in earnest in suggesting that it is most important that we maintain controls, and in the second place, most important that we maintain these controls in some kind of parity relationship, I would say this to them. I may say in passing, I hesitate to use the word "parity", saying that we have parity, because it takes a long speech to explain what one means.

Mr. HACKETT: Would the hon. gentleman permit a question?

Mr. GARDINER: Yes.

Mr. HACKETT: Before leaving the question of prices, would he state what is the price on raw milk per 100 pounds in the United States and in Canada?

Mr. GARDINER: I have not those prices here, but I shall have them on my estimates to-morrow. These are the only ones I have figured out. I understand that directly over the border from where my hon. friend lives there is a higher return for whole milk, but I wish to check that up to make certain before putting on *Hansard* a statement with regard to it.

What I was about to say is this. You have a stabilized price and you have a price on a level which is comparable with prices being obtained elsewhere; and may I say further, we have just come out of a period when prices were allowed to run very much higher in the United States than in Canada. We as farmers took the position that we did not object to United States prices going up to a high level and ours remaining at a lower level, provided that all the commodities we had to buy could be purchased on a lower level than in the United States, and provided at the same time that we were not going to permit prices to run down as fast in this country as in a country where there were not as complete controls as we had here. We laid down those two provisos, and for that reason I would say to the official opposition that we intend to go slow in this matter of removing controls, on ceilings if you like, but certainly so far as floors are concerned, and to maintain the position where the farmer can get a return, during the transitional period, which is comparable with the return he obtained during the war period.

I believe that if we do that, in spite of the criticisms that are being made in this house at the present time, when the time comes the people of Canada will judge that policy by results rather than by criticisms. Someone said to me on one occasion that I was the most criticized man in the Dominion of Canada. Probably I am. He said also that my departmental administration was the most criticized, and I said in reply that there is only one way to conduct oneself in politics, where an election comes every fourth year—

Mr. ROSS (Souris): And that is to be right in the fourth year.

Mr. GARDINER: You have to do more than that. You have to be right the day after the election and the first year after it is over, at least, and then you have three years to prove that you were right. If you wait until the last week or even the last year before the election you will find that the people of this country are too wise to let that kind of thing go by. The hon. member for Humboldt twitted me with feeling that I was always right. I am going to say to him that unless you do feel that you are right you will not be able to put over to the public what you do believe in, and I hope I have never attempted to put over anything which I did not think was right. So that, if one starts in with four years ahead of him to put something over which he thinks is right, by the time he gets around to the election he has two weeks in which people agree with him, and that is about long enough. His next job is to start off again with something else which he believes in, immediately following the vote.

We went through the last period advocating stabilization of prices and came through with the most successful system of stabilization of farm prices that this country or any other country has ever had and because of that we were sent back here to carry on the policy.

With regard to the remarks of the hon. member for Lake Centre (Mr. Diefenbaker) the other day, the hon. gentleman said that India had a poor crop; that the people are starving there; that the people are starving in North Africa and South Africa; that the people are starving in France and starving in some other countries. Well there are two or three reasons why they are starving in most of those countries; but there is one reason in every one of them and that is that they had a crop failure last year. In India they had one of the most complete crop failures they

have ever experienced, with low production; in North and South Africa they had one of the greatest crop failures they have ever experienced, with low production; and one could enumerate other areas in which there is the greatest difficulty in relation to food at the present time.

Why is it that when persons are calling attention to these facts they refuse, when they come to Canada, to say that we have had three of the poorest crops in certain wheat-growing areas, the last three, that we have ever experienced? Hon. gentlemen who come from the southwestern part of Saskatchewan know that this year the people are receiving payments under prairie farm assistance in greater amounts than in any other year but one in the whole history of the act since 1939 up to the present time. Why? Because they have a poor crop; and when we admit that every other country is in difficulties which has had a poor crop, why can we not be honest with ourselves and say that Canada is in difficulties in delivering greater quantities of food too because she had a poor crop in the grain-growing area during the last year; not quite so poor the year before, but still poor, and poorer the year before that?

Why cannot we be more honest with ourselves and say that in the week before the week that has just gone by authorities reported that we had in Canada the poorest prospects that we have ever had in the same week in twenty-four years. Why cannot we be honest with ourselves and say these things? And let us say them to the world, and not tell people that no matter what the weather is like we are going to have a good crop this year; that all we have to do is to put in more acreage, and do more of this and the government do something and we shall have a crop just because they say so. I have said that a week ago we had the poorest condition for twenty-four years, but I do not want the house to come to the conclusion that we are bound to have the poorest crop we have had in twenty-four years. Every western member knows that if we have three good rains in June and have them properly distributed we shall grow a crop in spite of everything that has happened up to the present. With the conditions we have to-day, if we do not have those three rains, if we do not have at least two of them, we shall be talking next fall about difficulties similar to those that we have experienced before. We in this country have to take our own history into consideration.

When our hon. friends were considering this matter within the last week this suggestion was made: you ought to increase your wheat acreage seven per cent for the whole world in order to produce so many bushels of wheat during the next year. During the last three years we have increased our wheat acreage in Canada by over fifty per cent, and we have not had as much wheat in any one of the years during which we had the increased acreage as we had in the year preceding that. Therefore I think we should face the facts and simply admit that in this country we depend upon good weather to produce feed grain. This is a country where we must feed live stock for seven months of the year. We depend upon feed grain to finish our live stock and get food upon our own markets and also to be able to export food to other countries. If we get it we shall be able to help; if we do not get it we shall be in the position in which some other countries find themselves this year. Take South Africa. South Africa is the most like this country of any country that is producing wheat to place upon the markets of the world. I sat in Washington yesterday and listened to the representative of South Africa review a story that was so nearly like our story of the thirties that one would almost believe he was talking about this country. He said: "Two years ago we thought we were going to be able to help solve the problem of food shortage throughout the world. But to-day we find that instead of helping with it we are asking for food from other parts of the world."

Their area is like ours; it is a dry area. The only areas in which you can produce No. 1 hard wheat are dry ones. I do not think that can be repeated too often. No. 1 hard wheat is a good food to be utilized for dealing with situations such as we have now, because it will keep for ten or twenty years in a good bin. If you grow too much of it this year you can pass it around some years hence. We are trying to find some kind of policy that will not only stabilize prices, but do something else which is essential to the stabilization of prices, namely, stabilize distribution, so that you can carry over your big crops into a period when there is going to be a shortage instead of throwing them on the market and pressing the prices down. If we can do that we can not only stabilize prices to our farmers but also stabilize the distribution in order that fewer people will suffer from hunger throughout the world. If we recognize these facts we shall get along much quicker with the solution of our problems.

Mr. TUSTIN: I have a question to ask—

Mr. SMITH (Calgary West): May I rise to a point of order before the hon. gentleman proceeds. I hope Your Honour will not rule that I am too late. The reason I did not rise

before is that I did not want to appear to be rude to the minister. My point is this: on various occasions all of us over here have asked for reports from various departments, officials, boards and so on of ministers. We have been refused because we have been told that they were privileged. In his speech to-night the minister quoted things that had been said and reported to him by members of the beef advisory board. If the rule works that we cannot have these reports, then surely the converse must be true, that no minister may give us reports from persons whom we have no right to examine, and whom we do not know. It is not of great importance to-night, sir, I agree. I do not say this at all critically, but I should like to know where we are going in future. Is the minister or any minister going to be able to repeat in this house reports that he has had and we be refused reports for which we have asked? I should like a ruling on that.

Mr. GARDINER: Mr. Speaker, on the point of order, I think the hon. member for Calgary West has brought up the particular point which is involved in the rule. Ministers have officials, and in evolving policies they put these officials out to examine into what is going on in different places and to report back. They ask them to see certain people, discuss matters with them and report back. But once the report has been made by the officials and policy has been evolved upon it, that policy is brought before this house, and all the reasons for bringing the policy before the house is cited at the time. Everything that I have said here to-night, apart from the last remark or two about some discussions I listened to, most of which were in the press yesterday, has been reported to this house.

Mr. SMITH (Calgary West): I was not thinking of that.

Mr. GARDINER: I think every other matter that I referred to has been reported to this house in previous debates.

Mr. SMITH (Calgary West): I was referring to the statement where the minister said that he had recently consulted with some members of the beef advisory board, five of whom were here, and the other was—

Mr. GARDINER: That was a delegation that came in from outside, not my officials.

Mr. SMITH (Calgary West): I thought the minister said an advisory board of five that had reported here. If I am not right I apologize. I thought the minister was speaking of the advisory board.

[Mr. A. L. Smith.]

Mr. GARDINER: No; that was a delegation sent by the food producers to make representations.

Mr. SMITH (Calgary West): Sir, on another occasion I shall ask for your ruling.

Mr. DEPUTY SPEAKER: Order. I do not think it is necessary for me to give a ruling on the point raised by the hon. member for Calgary West.

Mr. SMITH (Calgary West): Not now. I thought it was the beef advisory board about which the minister was speaking. However, I shall check *Hansard* rather carefully because I am still of that opinion.

Mr. GARDINER: If I said that it was not correct. They came from the outside. I could not name them at the moment.

Mr. DEPUTY SPEAKER: I thank the hon. member for Calgary West for bringing the matter to my attention. Perhaps on some future occasion a ruling will be made.

Mr. TUSTIN: I wish to ask the minister a question to obtain information. A few moments ago the minister compared the price of cheese in the United States with that in Canada. In Canada all cheese is made of whole milk. My question to the minister is this: Is not the greatest percentage of cheese manufactured in the United States made of skim milk?

Mr. GARDINER: That is why I compared the price in Canada with the price in Minnesota. The cheddar cheese of Minnesota is most like ours of any cheese made on this continent.

Mr. T. J. BENTLEY (Swift Current): As usual we have just listened to an interesting address by the Minister of Agriculture (Mr. Gardiner), during which I think he convinced himself and, I expect his cabinet that they have a good stabilization policy. In effect what he told us is that we have the best Liberal government now that we have ever had. We never had any other kind than a Liberal or a Tory government. I would say to the minister, considering their vote in the last election, that it had better be the best Liberal government we have ever had or we shall not have another one for a long time. It appears to me that in this debate many speakers have been more concerned with attacking the opposition groups than they have been in championing the cause of the farmers and the workers. The hon. member for Lake Centre (Mr. Diefenbaker) attacked the C.C.F. and tried to prove, by quoting from a former speech of mine, that the C.C.F. are less friendly

to agriculture than the Progressive Conservative party, which of course is a descendent of the old Tory party under which Canada suffered during those infrequent occasions when the electors favoured them with their vote.

Mr. HACKETT: Your knowledge of history is rather incomplete.

Mr. BENTLEY: Well, I have lived in Canada for a long time. However, it is the government that I am critical of just now, because they have the responsibility; and during this debate I propose to justify my criticism. I shall leave the Tories to the memories of those people who lived through the years from 1930 to 1935.

Sufficient has been said on behalf of those members of society with fixed, low incomes, such as pensioners and those who live on the earnings of their investments, to convince any fair-minded and well-intentioned government. Various hon. members have put on record figures which should convince any except those who are so set in their views as to be completely unchangeable. I am going to try and present the matter from a somewhat different aspect. I should like to examine the government's attitude toward factory owners on the one hand and farmers and workers on the other, because during another debate I charged the Minister of Finance (Mr. Ilsley) with being more amenable and more receptive to arguments placed before him by monopoly capitalism than to the claims of farmers, workers and other such gorups.

The minister's claim is that the farm machinery manufacturing companies showed by their records that they were losing money under the old price structure and could not continue if not granted an increase. As reasons they gave higher factory costs, some of which are labour costs, as well as higher capital costs. I say to the minister, bring these records into the house and let us examine them. Let us apply the very same kind of reasoning to an examination of farm units, and see where we arrive when we apply the same reasoning to both groups. To do so we would have to examine a great many farm units in the country. We would take the owner of a farm and ascertain his capital valuation and fixed charges, as the government have done in the case of the machinery companies. Having done that, we would have to allow the farmer wages for each type of operation performed on the farm, as I believe was suggested during this debate by the hon. member for New Westminster (Mr. Reid). We would have to do that whether the work was performed by the farmer himself, by his wife or by some other member of his family. Then we would have to permit him to fix his selling price high enough to pay the costs. That is the privilege given the farm machinery manufacturer.

The minister says that farm machinery costs have risen by about 28½ per cent. I believe that was the figure given; in any event it is close enough. He went on to say that the government had been tough, and had granted them an increase of only 12½ per cent. I am convinced that most farmers would be prepared to accept an increase in the selling price of farm products in the same ratio to their costs as disclosed by the sort of investigation I have just recounted; that is, in the same ratio that 12½ per cent bears to 28½ per cent.

Then we must permit the industrial worker to place a value on his labour sufficiently high to cover his cost of production; that is, the cost of maintaining his labour strength and efficiency, which means buying the products of labour, of farmers and other producers. When the minister agrees to this he will be moving toward absolution from the charge of favouring his capitalistic friends.

Please remember, Mr. Speaker, that farmers must operate with a great deal of unpaid labour. Let us compare the factory and the farm. The factory owner hires someone to do the char work, and includes those wages in the operating costs of his factory. The farmer's wife frequently does the char work in the barn and hen house, but is allowed no wages. Ergo, let the factory owner's wife clean the office and factory for nothing. The factory owner hires truck drivers to deliver his products to the railroads or to the markets, and enters the wages in his operating expenses. Frequently the farmer's teen-aged son and occasionally his daughter on returning from school in the late afternoon must harness a team of horses or get in a truck and deliver a load of farm products to the market. Ergo, let the factory owner's children deliver the factory products for nothing. One could cite many cases, but these should suffice to indicate what I am driving at.

Now compare the factory owner and the factory worker. After working all day, a factory worker must go home and do his own gardening or hire someone to do it for him. He must remove the storm windows in the spring and put on the screens, and reverse the process in the fall, or hire a handy man to do it for him; that is, if he has a house. The wages of this handy man are not deductible from the income of the worker in a case of that kind. The factory owner can send a factory worker to his home to do these chores, and any others which may have to be

done around the place, and the wages of that factory worker are an expense of factory operation and deductible for income tax purposes. I am not guessing about that, because I have been a factory worker and have been sent home even in the old days to help the wife of the boss on the old, hand-style washing-machine and bread-mixer, which was hard work.

It has been said to-night that the C.C.F believe in stabilization operations. We believe in stabilized incomes as far as it is reasonably possible to have them. Possibly the best way would be that mentioned by the hon. member for Lethbridge (Mr. Blackmore) this evening, when he said that we should have a fact-finding commission, which I presume would be composed of men capable of examining every phase of our economic life. Probably that would be the best way; but while agreeing to some extent, we believe we need to move now, and for many classes of society it might be a little too late if we did not do the best we could with the information available at the present time while awaiting the establishment of this hypothetical fact-finding commission which the hon. member for Lethbridge may want, but which he has no power to put into operation. I am afraid he will have to do a great deal of talking of the kind he did to-night before he will convince the present administration that this should be done.

The C.C.F. has supported and does support the government in regard to price control, but we do so only as long as fairness is the guiding principle in such control. Certainly, if the government is going to favour unfairly industrial owners, the C.C.F. is capable of withdrawing that support. We have no illusions either about Liberals or Tories. As announced by our leader, the hon. member for Rosetown-Biggar (Mr. Coldwell) the Liberals were elected to power by established electoral practices, and the C.C.F. will assist them in their programme as long as fairness is the guiding principle.

He stated that the C.C.F. have doubts as to the success of the announced government policy as expressed in the speech from the throne. The government is more and more giving evidence every day that it will support monopoly privilege and profit, regardless of its effect upon productive workers and farmers. This increase in the price of farm machinery, together with the recent removal of subsidies on milk, are final proof of my statement that the minister and his colleagues will always give more sympathetic consideration to monopolistic enterprise and profits than to the needs of the working population.

I sincerely wish the announcements of the Minister of Finance regarding price increases on commodities other than farm products and wages to workers would work in reverse as did his announcement in the early part of the winter of 1941-42. At that time I was in Regina attending the annual meeting of a great farm organization. For two days the newspapers and radio advised the people to be sure to listen in at seven o'clock on a certain evening to come shortly, so that they might hear the radio address to be given by the Right Hon. J. L. Ilsley, Minister of Finance, at which time he was to make a very important announcement.

Well, we crowded around the radio at the appointed time with our mouths open, all agog for this important announcement. The ministerial voice came over at the appointed time, and announced that prices of oranges and coffee would be reduced. That was wonderful news. But inside of two months both these commodities went up in price. Can we hope for such a reversal in the announcement of price increases on farm machinery and gasoline? If his announcement in respect of these items is to work the same as it did in respect of oranges and coffee, I would say we would have some hope for the future; because when the minister said they would go down on that occasion, they went up. On this occasion he says they will go up; let us hope that they will go down.

The minister contends he is not the friend of monopolistic enterprise, that he and his officials are tough when dealing with them. But in view of the favours he and his officials grant to these monopolies it is difficult to discern the same kind of toughness which he used and applied to the veterans of the last war, when he refused to grant clear titles to their farms.

Nor did he and his officials display the same toughness when dealing with the farm machinery manufacturers, the steel manufacturers and others as they did toward the province of Saskatchewan in connection with their seed grain debt. This was a calamity in Saskatchewan. No figures need be produced to prove to the country or to the house the extent of that calamity in 1937. This was followed by a year when there was a terrific increase in the price of seed grain, and destitute farmers had to buy back the products of their own farms at those increased prices, in order to continue their farming operation.

This tremendous increase in price was the result of the government's failure to retain sufficient of these grains in the hands of the public during that terrible year for the follow-

ing year's seeding. But having made the blunder, the government is still tough, and demands every ounce of every pound of flesh it says is coming to it. The government is extremely tough to all working-class requests for increased wages or incomes in the face of rising living costs, but was anything but tough—

Mr. MITCHELL: Where did my hon. friend get that information?

Mr. BENTLEY: I read the newspapers. You should read them sometimes.

Mr. MITCHELL: You must read them upside down.

Mr. BENTLEY: But the government was anything but tough when dealing with the representatives of the capitalistic governments during the recent dominion-provincial conference.

Then let us take the government's attitude toward Alberta when that province attempted to introduce what they believed were essential monetary reforms. The government spared no effort to invoke every single, obscure, legal technicality to prevent the then new Alberta government from accomplishing its stated purpose.

During the last session, each time members of the Social Credit group mentioned something in connection with their monetary theory there were cries from across the house of "funny money". That is a hangover from the days when the committee on banking and commerce was discussing the revision of the Bank Act and when "funny money" was a term frequently used, and one which is sometimes attributed,—although I was not in the house to hear it, to the Minister of Finance.

But when the term "funny money" was used I noticed it was one of the rare occasions when the Minister of Finance smiled. Sometimes his smile is very pleasant; but this time, with the words, "funny money," it was tinged with sarcasm. I do not believe the Minister of Finance knows what "funny money" is, or that he would recognize it if he saw it.

I am not going to attempt to give a dissertation on what Social Crediters believe is the proper kind of money. But I am going to say that the kind of money we have had sometimes is about as funny as any money could be.

I shall tell a little story which came into my mind when I saw the sarcastic smile on the minister's face on that occasion. I would assume he is somewhere in the same age group as myself—possibly a few years younger. I am informed he was reared in about the same part of Canada as I was. Therefore he must have gone to the little schools back in the corner by the pine groves, the same as I did. At those schools he learned, as I did, his "readin', writin' and 'rithmetic," and a little bit of Euclid. Possibly he was taught how to describe a circle from a given point, on a given straight line, or something like that. Possibly he did a few simple equations, some single entry bookkeeping and a little double-entry, with some further training about business and commerce and bank notes.

He was told that the banks were the most solid institutions in the British empire, particularly our Canadian banks. He was told that a bank note was not money, but that it was a promise by the bank that, on demand, it would pay to bearer that amount of money in gold.

I am just wondering if, after he had completed his schooling, he went out and picked apples for a couple of months at the munificent wage of around $10 a month, which obtained in those days. Perhaps he worked for a couple of months and got in his hands two of those big $10 bills we used to have. Perhaps then he got curious and went down to the bank to see if the banker would really pay him in gold. He would walk devoutly, because in those days a bank was like a cathedral. We were not initiated into the mysteries of banking. He would walk quietly. I can just picture this young chap going in and saying, "Is it true that you will give me a $10 gold piece for this $10 bill I have in my hand, and I can imagine the banker honouring the transaction.

He would put the money in his pocket, along with the other $10 bill he has left. Then perhaps he went back to the hills and joined the Dutchmen in quaffing a few flagons of that Scott Act brew they had in those days, and then went to sleep for thirty years. And that is not so fantastic, either.

Then he would awaken thirty years later only to find that his $10 gold piece had disappeared, but holding the $10 bill in his hand. He thought he would like to do the same thing. So he walked into the bank thirty years later and laid down his demand note and said, "I would like gold for this." But the banker said, "No, we do not have to pay our debts any more in gold. Our paper is good enough." I am sure that he would walk out of that bank and say, as he looked at the $10 bill, "By gum, that is funny money."

The Liberal government requested and received almost unanimous support for the recent legislation it brought down, and prob-

ably would receive it again in the same measure, for the same purposes, providing a loan to Britain to enable the British people to purchase from us the things which we have, which they need sorely and for which we get payment before the end of the century in goods which they will produce and which we expect we shall need. But the government was very tough when it refused to consider the request of the hon. member for Cariboo (Mr. Irvine), who recommended a domestic investment to develop untapped resources in his riding. Yet such investment and development in that riding would, long before the turn of the century, have provided a tremendous increase in the variety of goods at present needed by the Canadian people for their own use and for trade with countries who may need those goods and have other goods we need with which they would be willing to pay for ours.

The motion before the house, Mr. Speaker, is practically a motion of want of confidence in the government for not carrying out its pre-election promises. Whether it has been able to do so or not, it certainly has not done it. It has not dealt with the unemployment situation in the way it said it would, and we have only to read the press reports from the Canadian Legion convention in Quebec city to hear their criticism. If that is not enough, let us take a very small place in Canada, where I come from. I should like to read into the record an article in the *Sun*, a weekly paper published in Swift Current, the city in which I live. It is a small place, with perhaps 7,000 people. It does not cover much of the Dominion of Canada. Nevertheless there is an employment situation there. I quote from the *Sun* of April 30, 1946:

> There may be a shortage of materials, but there doesn't seem to be any dearth of labour. One local businessman found that out. The response he got to an advertisement in a well-known farm paper calling for "carpenter's helpers and a couple of men to work in a tannery," simply overwhelmed him. He was flooded by applications by letter, 319 in all, including one telegram from a very ambitious person who wanted action. From Saskatchewan came 213 applications; from Manitoba, 57; Alberta, 26, British Columbia, 16, Ontario, 7.

Three hundred and nineteen applications for three or four jobs in the small city of Swift Current! The owner and editor and publisher of the *Sun* is not a supporter of this party, although he is a very decent individual and tries to be fair. I continue with the quotation:

> The *Sun* balked at the story at the outset, but when this businessman came back a few minutes later with a hugh file of letters we couldn't be sceptical any more. The letters were counted in the *Sun* office and sure enough totalled 319.
>
> Quite a number of the applications for the job came from men who had overseas experience in the war. One fellow, 22 years of age, was ready to start at "not less than $50 a month."

How can a government claim through the optimistic reports of the Minister of Reconstruction and Supply (Mr. Howe) and other ministers here that the unemployment situation is overcome when this advertiser was deluged with applications for a job in a small prairie city? It is not a big industrial centre. So that I think the criticism which has been directed against the government has been justified.

The government professes to have made a reasonably good start in providing housing for the veterans, let alone the rest of our citizens. But here again I suggest that hon. members read the press reports emanating from the biennial convention of the Canadian Legion which is now taking place.

There was no sound reason given to this house to justify the 12½ per cent increase in the price of agricultural implements. The Minister of Agriculture may be right technically, that the same type of implement is cheaper in Montana and North Dakota, if you can get over there and get it, and if you pay the exchange and all these other things. You can bring it over free of duty if you can buy it. But that kind of argument to support the statement that the law of supply and demand will work along the United States border facing our prairie provinces does not work, and the minister must know it. It may work some day, but it certainly does not work to-day, and we are not talking about some day hence.

We have been trying to point out that the workers and the farmers were severely hit during the 1930's. They took the small increases that were made during the war by owners of factories and monopolistic industries with fairly good grace, although they did have to do some pretty spirited talking to the government on some occasions to get even a share of justice from this government during the war. But now the war is over, and just when there is a possibility of our farmers pulling themselves out of debt and buying farm machinery or paying farm debts, or in the case of the industrial worker paying for his home if he continues to hold his job, these price increases are permitted by the government. There is no reason why these price increases should be granted to the owner of a factory who is very likely charging all the traffic will bear to make his expenses look high. A stock company, I suppose, whose stock is quoted at a high figure calls that a liability to the public and they are supposed to make some return on it, and because such

companies have expanded their plants in war time under the impetus, not of patriotism, but because they got increased profits which they asked for at the start of the war—

Mr. MITCHELL: That is not a fair statement, and my hon. friend knows it.

Mr. BENTLEY: It is very fair, and I will say it again emphatically, if necessary. If there are to be increases, everybody should participate in them if anybody is going to. If nobody is going to be allowed to participate, nobody else should get an increase. You should not start granting increases in the higher brackets until the lower brackets are first looked after. Before the war these ceilings were not all level, as I am indicating; they were like this, slanting. If you are going to puncture the ceiling at all, start at the lower level up.

Mr. ILSLEY: That is just exactly what we did.

Mr. BENTLEY: You have not raised the price of agricultural products since the war.

Mr. ILSLEY: We certainly have. That is nonsense.

Mr. BENTLEY: Since the war was over, I should have said. I will correct my statement to that extent because I want it square on the record.

Mr. ILSLEY: We started first with agricultural products.

Mr. BENTLEY: The government did not do it to help the farmers out; they did it because the open market prices on the Winnipeg grain exchange were going up too rapidly, and the railway transportation systems would not allow of the movement of grain fast enough from country points to where it could be delivered against the contract, to take care of it, so that they had to close the grain exchange, for trading anyway, to fix that price. You have not "kidded" anybody in the west by doing that.

An hon. MEMBER: You are not "kidding" anybody either.

Mr. BENTLEY: I do not suppose I have done much to convince the government.

Some hon. MEMBERS: No.

An hon. MEMBER: Don't worry about that.

Mr. BENTLEY: Hearing the applause on the other side, I am almost inclined to agree with the hon. member for Dufferin-Simcoe (Mr. Rowe) in one statement he made the other evening, what he said about "rubber-stamps". The impression he has left with me is that at least in one respect he was speaking the truth.

Right Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker—

Mr. SPEAKER: I would remind any hon. member who may want to speak that if the minister, who is the mover of the motion, speaks now he will close the debate.

Mr. ILSLEY: I hope it will be possible to finish this debate to-night, to vote both on the subamendment and on the amendment.

Mr. BRACKEN: Before the minister proceeds, Mr. Speaker, you indicated that the acting Prime Minister might close the whole debate at this stage. That surely cannot be correct.

Mr. ILSLEY: No.

Mr. BRACKEN: We have before us the motion, and we have before us the amendment to the motion, and we have the amendment to the amendment. If the Acting Prime Minister speaks now he is not closing the whole debate. I just want to be clear; I am sure the Speaker was not correct in that.

Mr. ILSLEY: Yes.

Some hon. MEMBERS: Question.

Mr. ILSLEY: There are some things I have to answer which have arisen in the course of this debate, and while it probably is not true that I can close it, I am expressing the hope that we can take the vote to-night both on the subamendment and on the amendment.

Mr. GARDINER: On a point of order, may I suggest that the leader of the opposition (Mr. Bracken) is absolutely correct; but if the two votes are taken first, the leader of the government has the right to close the debate; that is, if the vote is taken on the subamendment and on the amendment, the minister will have the right to close the debate on the main motion.

Mr. ILSLEY: That is right.

Some hon. MEMBERS: Question.

Mr. M. J. COLDWELL (Rosetown-Biggar): I am not going to detain the house for more than a few minutes, but there are one or two things which I should like to say before the subamendment is put.

In the course of this debate a number of questions have been directed to the C.C.F. group in this house. I want to say at the very outset, as I have stated on a number of occasions before, that we have stood solidly for the idea that we should continue to

endeavour to stabilize prices to the very best of our ability. I believe, as we have often said, that the people who will suffer most if the price ceilings are punctured are those who work on the land, in the factories and in other places where wages and salaries are paid, and that pensioners and others in like position will also be among the first to suffer if we allow prices to sky-rocket.

I wish to deal very briefly with the amendment and the subamendment. The amendment moved by the leader of the opposition reads:

> This house is of the opinion that the government's price ceiling policies with respect to farm products are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

I believe that the statement in the amendment is true that the policies which have been followed by the government, particularly in recent weeks, have placed an undue burden upon the producers of this country. I realize that the words of the amendment, which I suppose must govern, because the written word prevails, do not carry the significance which the speeches that have been made in support of the amendment have carried. We have heard from the official opposition several times, in this debate and in a previous debate when we were discussing farm implement prices, that controls must go. The direct question has been asked of some of the leading men in the Progressive Conservative party, and they have replied as did the hon. member for Haldimand (Mr. Senn) and several others of his party, that they were opposed to controls, so that if we were voting on the speeches which have been made in support of the amendment we would certainly be voting in opposition to it. But when the *Journals* of the house are written and the amendment and the subamendment are recorded the records will carry only the words of the amendment; and the words of the amendment are plain, that an undue burden has been placed upon the producers of this country through the policies of the government. I would have liked the leader of the opposition to be more explicit as to what he meant when he spoke of the price control policies of the government. The interpretation that was placed upon it, I thought, in his speech was that the price ceiling policies that had been punctured had placed that undue burden, but there is an obscurity in the amendment because of the lack of explanation from the leader of the opposition. As I say, however, the written word is what we have to vote upon.

Now I have something to say about the subamendment, which reads:

> This house if of the opinion that the government's policies of permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in imposing on food producers and workers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

The subamendment has been criticized because we have specifically mentioned farm implement prices and the price of steel. Those are the two most recent changes which have been made in the price structure which have affected agriculture; and because of that, rather than make a general and sweeping statement, we chose to direct attention to those two matters which we believe have been most recent and have had a disastrous effect on our price ceiling policy.

The hon. member for Lake Centre (Mr. Diefenbaker) yesterday made the statement that all of us must accept the view that, in the light of the explanations given so far—and I note the qualification—the recent increase in the price of farm machinery is unjustifiable and unfair. But while the hon. member for Lake Centre may have said that yesterday, it is not what his colleagues were saying when we debated the prices of farm machinery a short time ago, and I do not believe that all the members of his party have changed their minds in the course of the last two or three weeks; if they have they have made a complete change of mind.

While I am speaking of changing minds, may I refer to what the hon. member for Souris (Mr. Ross) said this afternoon? He said that in one breath I supported the request that the Speaker declare the proposal of the member for Lake Centre in order and in the next breath I opposed it. Not at all. What I did was to hear the discussion; having heard the discussion I came to the conclusion that the ruling of the Speaker was right, and consequently I said that that ruling was right. May I remind the hon. gentleman that, even so, a wise man can change his mind? A fool never does, and I do not think there have been many changes of mind in the ranks of the colleagues of my hon. friend in any regard. The hon. member for Lake Centre said:

> Apparently they do not believe that any increase of farm prices at the present time would be justified.

And a little later he said:

> The view of the leader of the C.C.F., very clearly expressed on different occasions, has been that the C.C.F. party supports the government in its stand that there shall be no increase in the prices of farm products in this country.

I have said nothing of the kind. The hon. gentleman referred to my speech as recorded at page 319 of *Hansard* in a previous debate. Like him, I am precluded from reading the exact phraseology, but if he will look at what I said on that occasion he will find I suggested that increases and changes might be necessary but that when they were necessary they should be made after negotiation among all the parties concerned. I did not say at any time that we did not believe that certain adjustments were necessary from time to time. I regret the necessity of these adjustments. I believe the government would have been wiser had it stuck to its original plan of maintaining the price ceilings in this country in the interests of the people; and although the speeches that have been made by my hon. friends of the Progressive Conservative party have been of such a nature that we have disagreed with most of the ideas they have advanced in support of the amendment, we are, I believe, compelled to vote for the wording of the amendment as well as for the wording of our own subamendment, and I shall have to leave the matter at that.

Mr. JOHN BRACKEN (Leader of the Opposition): The motion before the house is one by the Acting Prime Minister (Mr. Ilsley) to go into supply to consider the estimates proposed by the government for its expenditure during the coming year. To that motion an amendment was moved by myself and an amendment to the amendment by the hon. member for Qu'Appelle (Mrs. Strum) representing the C.C.F. party.

On a motion to go into supply opportunity is given to members to raise matters of major public concern or to bring forward any grievances from the electorate in any part of Canada or to discuss any other matter of public interest. The amendment I proposed raises two major matters of public interest. May I say in passing that many members have spoken of it as a non-confidence motion. Mr. Speaker any amendment moved to a government motion the speech from the throne or the budget or supply is of course a lack of confidence motion. In that connection I may say that this motion was not moved with any expectation of dislodging the government or in any attempt to do so. It was moved with the intention of bringing before the house and the government and the country two major questions of public policy, which I think are very important and, with all respect, very clear in the amendment that I moved.

Before I read the amendment may I say one or two things with respect to the debate so far. It has covered a very wide range, and I agree with some of those who have said that much of the debate had no direct bearing either on the amendment or on the amendment to the amendment. I propose in my remarks to-night to deal wholly with the amendment, and with the amendment to the amendment, but chiefly with the former. Before I do so may I refer briefly to two or three of the addresses we have heard to-night?

The Minister of Agriculture (Mr. Gardiner), in his remarks, answered partly a question I asked him the other day when he was on his estimates or on going into supply. I asked him to give a statement of the prices paid to farmers for the major agricultural products in Canada, and with it a statement of prices paid to farmers in the United States—prices paid under comparable conditions here and across the line in the United States. To-night he quoted prices on butter and cheese and indicated that they were approximately the same in the two countries.

Mr. GARDINER: I have the information now. There is a subsidy on milk entering into cheese. It is twenty-five cents with an additional twenty cents put on for these two months in connection with the recently announced policy to encourage production and there is also a five-cent subsidy on butter. That would put cheese on the United States side about two cents a pound higher than ours with the subsidy with the exception of these two months, when another two cents is added. On butter it is about the same.

Mr. BRACKEN: I did not mean to be critical of the figures the minister gave.

Mr. GARDINER: I understood that but wished to get it on the record as soon as possible.

Mr. BRACKEN: The minister referred briefly to the fact of almost similar prices for butter and cheese in both countries, and with respect to the latter he has now made some modification which indicates that the price to the cheese producers is higher on the other side. On a previous occasion the minister told us that the price of hogs was not very much different in the two countries, and he said he did not have information at hand with respect to beef wheat and milk. In that connection, I might say that the wartime prices and trade board issued a release three days ago, on May 20, in which they give that information respecting milk; and since the question was partly answered by the minister, perhaps what the wartime prices and

trade board had to say with respect to relative prices on the other side and in Canada ought to be given. This is the statement:

In United States, where conditions are most comparable, the average price of milk in January of this year, on basis of the same size quart, was 19·5 cents against an average or 12·5 in Canada, both figures in Canadian funds.

I presume, although I do not know, that that was before the two-cent subsidy was removed.

Mr. GARDINER: I would not be sure.

Mr. BRACKEN: This is the statement exactly as it was issued, and it continues:

The highest price for milk in the United States is 20·6 per imperial quart as against 13 cents per quart, the highest price, in Canada.

After much debate in this house, so far as wheat is concerned, one does not need to quote again the difference in price as between the United States and Canada. It is a very great difference. It changes a little from day to day, different reports indicate. With subsidies paid over there it is eighty or ninety cents or more higher than it is in Canada. I make no point of these differences at the moment; I simply add them to the record.

In his remarks the hon. member for Lethbridge (Mr. Blackmore) dealt with two questions, first, the necessity of production if we are to increase our standard of living in this country, and, second, the value of subsidies as an equalizing force in our economy. He said that he favoured subsidies as a means of equalizing the returns to different sections of our economy. With practically all that he had to say regarding production I am in agreement. I could not follow him clearly with respect to his support of subsidies, but even there I could go with him part way.

In referring to the amendment and the subamendment the hon. member for Rosetown-Biggar (Mr. Coldwell) intimated that my amendment was not explicit as to what was meant by "price ceiling policies with respect to farm products," and that there was some obscurity in the wording. May I repeat that amendment? It reads as follows:

This house is of the opinion that the government's price ceiling policies with respect to farm products—

If there was any obscurity there, let it be removed. It means price ceiling policies with respect to prices of farm products or the prices of other commodities that enter into the cost of producing farm products.

Mr. COLDWELL: The hon. member did not say that.

Mr. BRACKEN: I did say that. I repeat:

. . . that the government's price ceiling policies with respect to farm products—

It was not intended to be limited.

[Mr. Bracken.]

Some hon. MEMBERS: Oh, oh.

Mr. BRACKEN: I am simply giving the explanation; hon. members may take it or not. I repeat:

—with respect to farm products are discouraging production of needed food . . .

That is one of the two sections of the amendment. What was the other? This is it:

—and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

That is all there is in the amendment—these two statements. They are either correct or incorrect. If they are incorrect I know the Minister of Finance (Mr. Ilsley) will present the government's side, showing, as well as he can, that they are incorrect. If they are correct it is a serious indictment of the policies themselves or of the administration of the policies. I am inclined to criticize the administration of the policies more than the policies themselves, because you cannot raise the price of one commodity which enters into the cost of others without creating inequities. That is the position we are taking.

With respect to the observation that speakers have talked about other things, let me say, Mr. Speaker, that there is nothing in this amendment about taking the lid off controls; there is nothing about allowing prices to go sky-high; there is nothing about uncontrolled inflation; there is no attack on the principle of trying to control inflation. There is nothing in the amendment save this, that the combination of the government's price control policies and its administration of them during recent months is discouraging production of needed food in a time of famine; and to the extent that these policies and the administration of them increase farm costs more than they do farm prices they discourage the production of food in a time like this.

Mr. Speaker, these are major questions. We take the position that we want production. We take the position that we want equity between producers and workers and business and industry. If this amendment refers only to the producers of food on the farms of Canada it is not because of any favour desired for farmers but rather that they shall not be denied equity in our economy. We hold that recent policies put them in a relatively inequitable position. I shall deal with the merits of the matter in a moment.

The first question is: Is the production of agricultural products going down in Canada or not? It will not be enough to show that production is going down to prove that it is because of the government's price policies. Weather conditions affect the yield of crops; but surely there is no one in this house who

will say that price does not affect production also. Price gave us production of industrial equipment in the war. The advance of almost unlimited credit to industry, together with cost-plus contracts, and priorities in needed supplies gave producers the incentive to produce and they did produce. However we may criticize details, they got production on a scale that we are all proud of. But we are not applying as generous policies now toward getting production of food in a time of famine. As a matter of fact, the government's policies are working the other way, because some of these price ceilings on non-farm products—some of the farm costs—have been raised more rapidly than the prices of farm products.

Let me deal with the question of production of food on farms. The major farm products of Canada may be grouped in two; grain or cereals, and live stock products of various kinds. There are many other lines, of course, but I cannot now deal with all. I need not discuss the production of cereals. We discussed all that a while ago. The government's policy was then clearly stated. They did not favour any increase in the acreage of wheat. It is true that the acreage of wheat has gone up, but not as a result of government policy; it has gone up in spite of government policy, gone up by taking some of the acreage that would go into coarse grains, part of which would go to feed live stock, gone up because some of the summer-fallow acreage has been put into wheat.

Let me now deal with the production of live stock products and see what is happening in Canada. Our position is that production is going down, and that the government's price policies tend to discourage production. Some speakers said that over the last ten years the production of food in Canada increased. It did. This country is gettting more populous every year, and in the last five of those ten years we had good weather most of the time. During that period, and particularly during the last three or four years, we had the incentive of favourable prices, and in the war years we had the added incentive of patriotism. Farmers were working harder, working longer hours; older men returned to help; farmers' wives and children all helped, and I include also the incentive of a favourable relative position of prices of farm products to cost, during the last three years. Taken together, that combination gave us a large production.

But what is happening now? The hon. member for New Westminster (Mr. Reid) said he was quoting reports of the bureau of statistics. Any figures I quote here are taken from official documents of the government. There can be no purpose in trying to misinterpret statistics. Anyone who attempts that sort of thing will soon be caught up with. Let us have only what the truth is. What do they say? In connection with creamery butter our production in 1944 was 298,000,000 pounds and in 1945 it was 293,000,000 pounds, a reduction of only two per cent. In 1944 we slaughtered 8·8 million hogs; in 1945 we slaughtered 5·7 million, a reduction of 33 per cent.

And what is happening in more recent months? That is what we are concerned with. Now that the war is over and we are getting back to peace-time conditions, changes are being made every litttle while by the government or its officials. What is happening now? From January to March of this year, as compared with January to March of last year, our production of butter shows a reduction of 18 per cent; our production of factory cheese shows a reduction of 33 per cent; our production of concentrated milk products shows a reduction of 9 per cent; the number of hogs slaughtered shows a reduction of 50 per cent as compared with 1944 and of 33 per cent as compared with 1945. That is not a completely accurate interpretation of what will happen during the whole year but it is a pretty good guide. For the rest of the year pastures will help out production, and differences will not be as great; but those are the latest figures we have, and that is what they show—a steadily declining production.

I have taken the trouble to add up the production, the total weight, of creamery butter, factory cheese, concentrated milk products, dressed weight of inspected slaughter of live stock products, including hogs, cattle, calves, sheep and lambs. What does this show? In 1944 the total produced was, in round figures, 2,900 million pounds. In 1945 it was 2,700 million pounds. But what about January, February and March of this year as compared with the same period last year and the year before? In 1944 the total was 716 million pounds; in 1945 it was 632 million pounds, and in 1946 it was 502 million pounds, a reduction this year of 30 per cent as compared with two years ago and of 20 per cent as compared with last year.

I have admitted, Mr. Speaker, that increasing disparities in prices and cost may not cause all that reduction. Weather and coarse grain supply help; but price is a major factor, and increasing costs do discourage plans for production.

I come now to the next point, but before I deal with it let me read the amendment

moved by the C.C.F. The resolution moved by the hon. member for Qu'Appelle (Mrs. Strum) reads:

> This house is of the opinion that the government's policies—

of what?

> —of permitting recent unjustifiable increases in the prices of farm machinery and of steel have resulted in imposing on food producers and workers . . .

The rest is the same. How does that change the original amendment? It takes out of my amendment the whole question of the effect of the recent administration of these price ceiling policies on production. It removes that entirely from the immediate question before us. And that was the major economic question I wished to have this house discuss. It is important to know whether the policies being followed by the government and administered by the government are discouraging production.

I have no objection in the world to the C.C.F. bringing forward a motion such as this and discussing it on its merits. Are these increases in the prices of farm machinery and steel unjustified? On one ground I would agree that they are. They are unjustified in so far as they increase farmers' costs without increasing farmers' prices. On other grounds I leave it to the government to bring forward evidence to show that these increases were justified. It may be they can do so. I imagine they have that evidence, or they would not have put the increases into effect. I expect they will show that the cost of producing that machinery and that steel, whether as a result of the increased cost of labour or of raw material, or whatever it be, has so gone up that enterprise would not risk its capital to produce goods and to give employment if it were not likely to have enough returns to pay those additional costs for labour and materials. If the government can show that, then responsible members will not have much choice but to accept its decision. But I suggest that this is an amendment which might have been brought in by itself. As it is, it discards altogether the heart of my amendment, which I submit is a proper and an important economic question for discussion and decision, not necessarily on party lines though, as this house is constituted, probably that is too much to expect.

Then the C.C.F. amendment goes farther and says these things:

> . . . have resulted in imposing on food producers and workers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

I have no objection to the words "and workers" being put in, but I wonder what farmers will think of people who frame an amendment which suggests that food producers are not workers.

I have dealt with the question of whether or not production is going down. In this connection I should like to read from a report of the Ontario department of agriculture dated May 14:

> Production of butter by Ontario creameries in the first four months of 1946 was down more than 1,500 tons as compared with the output in the same period last year, the Ontario department of agriculture said to-day in its monthly dairy report.
>
> Cumulative output of creamery butter for the first four months was 15,327,400 pounds against 18,806,400 for the same period last year. Butter production in April, 1946, was 5,352,100 pounds against 6,117,500 for April, 1945. Stocks of creamery butter in storage warehouses throughout the province up to May 1 was 1,064,400 pounds against 1,478,000 in the same period of last year.

Then it goes on to give similar figures showing decreases in the production of cheese, but I shall not take time to put more of the statement on the record.

I have been dealing with the question: Is production going down?

I wish now to deal as briefly as I can with the question of recent price ceiling decisions in their relation to equity for farmers. The point is: Are price ceilings, as now being administered by the government, affecting unfairly the producers of this country? Are they or are they not? If not, then that section of my amendment should not be supported. If they are, then it should be supported.

What are the facts? I have here a statement showing the dates when all these price ceilings were established, a statement of the date of the last subsidies, and what they were. At this late hour I shall not take time to deal with all of them, but if I were to make a brief summary of them, it would be this: Except for minor changes, the majority of price ceilings and subsidies in farm products have been constant for two or three years. There have been some minor increases in recent months, of course—indeed, there have been two or three small increases since this debate started. Sometimes I have wondered why there was this long delay in proceeding with the motion which was moved some two and one-half weeks ago.

I have said that except for minor changes, the majority of price ceilings and subsidies on farm produce have been constant for two or three years. The policy of this government with respect to price ceilings in the early years of the war was to fasten upon agriculture a level of prices 20 per cent below parity, and it remained that way for some years, even under serious protests from

organized agriculture, and from every student of agriculture. About three years ago that condition was changed. I shall not go into the question of why. Perhaps rising world prices helped. An hon. member of the C.C.F. has said it was because of victories by their candidates in the west. But I have sometimes had the notion it was because in December of 1942 the official opposition took a stand for a square deal for all agriculture, as a start to raise the price of wheat from 90 cents to $1.25—which was done by the government the very next year.

I may say to the house that at no time except the last three years has agriculture had anything like a square deal at any time since the last war—only in those three years. On the basis of what some called parity—and it is parity only in one narrow technical sense, but not real parity—it was well treated in those three years. But on the basis of real parity, that is a farmer receiving a fair proportion of the nation's income, it has not had that kind of parity even in those three years.

Mr. ILSLEY: Mr. Speaker, I am assuming it is the pleasure of the house to continue so that we may have the division to-night.

Some hon. MEMBERS: No.

Mr. BRACKEN: I think I can finish in about ten minutes, but I do not wish to detain the house if it wishes to adjourn.

Mr. ILSLEY: I move:

That the house be not adjourned at eleven o'clock this day.

Mr. MacINNIS: Before putting the motion, may I point out that a motion to vary a standing order of the house cannot be moved without unanimous consent. If that were not so, hon. members on this side of the house would have no protection from the majority.

Mr. ILSLEY: That was my impression, too.

Mr. SPEAKER: I call the attention of hon. members to standing order 45 which says:

Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for placing a question on the order paper; but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the house.

Mr. ILSLEY: If there is any serious objection I would not insist. May I ask, informally, if there are likely to be other speeches.

Mr. COLDWELL: Yes.

Mr. ILSLEY: Then I think I ought not to press the motion. Usually these things are done in an atmosphere of consent. I have a strong feeling that we should not proceed to-night, and I shall not press for it. I therefore suggest that the leader of the opposition continue until eleven o'clock.

Motion (Mr. Ilsley) withdrawn.

On motion of Mr. Bracken the debate was adjourned.

BUSINESS OF THE HOUSE

SUSPENSION OF STANDING ORDER 28

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

That the provision of standing order 28 in relation to Mr. Speaker leaving the chair without question put for the house to go into committee of supply be suspended for the sitting on Friday, May 24, 1946.

Mr. BRACKEN: I am glad to support the motion, and I would gather that it has the unanimous agreement in the house.

Motion agreed to.

Mr. BRACKEN: With reference to the debate, might I point out that though I would have been through in about ten minutes I agree with the leader of the house that it is not desirable that we proceed.

Since the Acting Prime Minister desires to have interim supply, may I point out also that, so far as this party is concerned, we shall help him to get it, if by to-morrow evening this debate is not concluded.

Mr. ILSLEY: Thank you; but I do hope it is concluded.

Mr. BRACKEN: I am just saying that we shall be agreeable to a postponement of the debate at that time, if necessary. If we do not conclude the debate in the afternoon, we shall help the Acting Prime Minister to get interim supply to-morrow evening.

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

Friday, May 24, 1946.

The house met at three o'clock.

HOUSE OF COMMONS

STATEMENT OF MR. SPEAKER ON RULING UPON RIGHT OF REPLY, MAY 23

Mr. SPEAKER: When I stated yesterday that the finance minister was entitled to reply and would close the debate on the motion that I leave the chair, I am afraid I unintentionally misled the house. Standing order 43 says:

(2) A reply shall be allowed to a member who has moved a substantive motion, but not to the mover of an amendment, the previous question, or on an instruction to a committee.

A substantive motion is a distinct and original proposition the terms of which may be amended either by (a) leaving out certain words, (b) by leaving out certain words in order to insert other words, (c) by inserting or adding others words. This definition does not apply to the motion that the Speaker do now leave the chair, which is merely a formal motion and is not the real subject of debate. The actual question now being debated is the amendments, the movers of which, as I have just said, are not entitled to reply. This is one of the debates in which the privilege to speak a second time by way of reply is not conceded to any member who has already spoken.

VETERANS AFFAIRS

Fifth report of special committee on veterans affairs.—Mr. Tucker.

SMALL LOANS ACT

REDUCTION OF MAXIMUM INTEREST RATE

Right Hon. J. L. ILSLEY (Minister of Finance) moved for leave to introduce bill No. 140, to amend the Small Loans Act, 1939.

He said: The Small Loans Act, passed, I think, eight or nine years ago, places a ceiling on the interest rate which small loan companies may charge of two per cent per month. Experience has shown that that is unnecessarily high in the light of recent changes in interest rates and so forth, and it is therefore proposed in this bill to reduce that interest rate to 1½ per cent per month. It is anticipated that the bill will be referred to the banking and commerce committee where the appropriateness of that rate can be investigated. The superintendent of insurance recommends the rate.

Motion agreed to and bill read the first time.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 137, to incorporate Evangelical Churches of Pentecost.—Mr. Dechene.

RADIO BROADCASTING

APPLICATION OF C.B.C. FOR WAVE LENGTH OF CFRB

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question, if I may, to the Minister of Reconstruction and Supply, under whom I believe radio broadcasting partly comes. My question is: In view of the minister's statement yesterday that the Canadian Broadcasting Corporation had made application for the use of the wave length or frequency occupied by station CFRB, will the minister give an undertaking to the house that no steps will be taken by him or the government in this connection until all parties interested in the matter, including representatives of radio listeners, shall have had an opportunity of presenting their point of view to the special house committee on radio broadcasting?

Hon. C. D. HOWE (Minister of Reconstruction and Supply): I think my hon. friend's question should more properly be directed to my colleague the Minister of National Revenue, under whose jurisdiction the Canadian Broadcasting Corporation carries on its operations.

Mr. GRAYDON: Well, Mr. Speaker, it has been such a job to know who has control or supervision over this matter that I took the precaution of sending a notice to both ministers. I was hoping that I would not have to make it something in the form of a circular to the ministers, but when someone asked the Minister of National Revenue a question two or three days ago he said he did not know anything about the matter.

Hon. J. J. McCANN (Minister of National Revenue): There should not be as much difficulty as the hon. member for Peel suggests about knowing under whose jurisdiction any of the broadcasting operations come. I believe he knows full well that the Radio Act is administered by the Minister of Reconstruction and supply. The Canadian Broadcasting Act comes more particularly under my jurisdiction. The hon. gentleman, in order to make sure that he would have an answer to his question, evidently circularized the ministers, because I also acknowledge having received notice of his question. In reply thereto let me say that neither the minister nor the government has any intention of dispossessing the tenant who has CFRB before all interested parties are given an opportunity to make their representations before the radio broadcasting committee, which we expect will sit on Tuesday next.

Mr. GRAYDON: Our people do not want to lose Jim Hunter.

LABOUR CONDITIONS

AVAILABILITY OF PRISONERS OF WAR TO SUGAR BEET GROWERS

On the orders of the day:

Mr. R. N. JUTRAS (Provencher): In view of the growing alarm in Manitoba with respect to the future availability of prisoner-of-war

labour for the cultivation of sugar beets, is the Minister of Labour in a position to clarify the situation?

Hon. HUMPHREY MITCHELL (Minister of Labour): I would like to assure the hon. member for Provencher, that the Department of Labour will make every possible effort to provide for the sugar beet industry in Manitoba—as we will in Ontario. At present 705 prisoners of war have been assigned to Manitoba for this work, and we are trying to get an additional 200, which I hope we will get to make the number 905. Last year the average number of prisoners of war engaged in the sugar beet industry in Manitoba, that is throughout the year, was 860. This included a larger number in the autumn for the harvest. As the hon. member should know, the availability of prisoners of war in Canada for work in the sugar beet industry, for the lumber camps, and other projects, depends on the wishes of the British government with respect to transfer of these prisoners back to Great Britain. After all, they are British prisoners of war. Britain is short of the type of labour for which these prisoners of war can be used. Furthermore they must be moved back to Britain as ships are provided.

We hope that some other arrangements for labour in the sugar beet fields may be made.

Mr. JOHN T. HACKETT (Stanstead): May I ask the Minister of Labour a question? Did the government undertake to provide in south-western Ontario a number of prisoners of war necessary to plant, till and harvest a sugar beet crop of 35,000 acres? If so, have these prisoners of war been made available to the sugar beet growers of the area?

Mr. MITCHELL: The answer is no.

BRITISH COLUMBIA BERRY CROP—PROVISION OF CONTAINERS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I should like to ask whichever minister is responsible what steps have been taken to provide crates, hallocks and barrels to save the current British Columbia berry crop.

Hon. HUMPHREY MITCHELL (Minister of Labour): If my hon. friend can solve the loggers' strike in British Columbia, they will get all the crates, barrels and other things they need.

Mr. CRUICKSHANK: If the minister will take my advice it will be solved to-night.

Mr. MITCHELL: This fellow is a wizard, Mr. Speaker. He is wasting his time as a member of this house at $6,000 a year. My advice to him is to go to Washington and give Mr. Truman a hand. If he has an answer, what I would call a rational answer, you understand, which will solve the problem in British Columbia, I shall be glad to see him as soon as the orders of the day are finished.

STRIKE OF BARTENDERS IN ALBERTA

On the orders of the day:

Mr. A. L. SMITH (Calgary West): Before the orders of the day are called I should like to direct a question to the Minister of Labour. I did not give him notice, because I received a telegram concerning the matter after I came into the house. I do not ask this question to be amusing, but has he been made aware that the bartenders of Alberta are going on strike because of their dissatisfaction with the order of the regional war labour board?

Hon. HUMPHREY MITCHELL (Minister of Labour): I shall be glad to look into that minor national emergency. I had some knowledge that the bartenders of Alberta were going on strike, but I hope that will be settled within a few days.

COAL

MINERS' AND RAILWAY WORKERS' STRIKE IN U.S.—SUPPLY SITUATION IN CANADA

On the orders of the day:

Hon. C. D. HOWE (Minister of Reconstruction and Supply): On May 8 I made a statement to the house on the coal situation and pointed out that unless the production of bituminous coal was resumed in the United States in the near future the Canadian position would be most serious.

Since that time, the miners have agreed to resume work for a truce period of two weeks, a period which expires to-morrow. In spite of the truce, many of the mines, and particularly those in Pennsylvania which supply large tonnages to Canada, did not resume production. The United States government took over the mines on Thursday, but no information is available as to what effect this action will have on the future production of coal.

Yesterday, as the house is aware, strike action by a section of the United States railway employees paralysed the whole rail transportation system of the United States. This action will result in a complete stoppage of coal production in the United States mines, and will also prevent the delivery of any coal that is at present en route to Canada. The implications of this action are so far-reaching that it is impossible to make any forecast of the effect upon our coal position, except to

say that it makes a bad situation very much worse. The whole problem is at present being most carefully reviewed, and I shall advise the house later of the action considered necessary to give the greatest possible protection to our industry and people.

I believe the house should be informed of the situation facing this country before the railway strike occurred. The truce in the coal fields, unfortunately, caused some Canadian consumers to believe that our troubles were over, but the facts of the case did not give any basis for such optimism.

Last year Canada imported some 2,979,000 tons of United States bituminous coal in the seven weeks from April 1 to May 19. In the same seven weeks this year our imports have been 710,000 tons, a straight loss of 2,200,000, or ten per cent of our estimated needs. That, Mr. Speaker, was the position as at May 19, but it was by no means the whole story. By the end of June, when, if work had continued in the United States mines, coal should have become freely available, our deficiency as against last year would have risen to almost five and one-half million tons, or one-quarter of our estimated requirements of bituminous coal in the central provinces. The point I would emphasize is that we were facing this deficiency under the best of circumstances, that is, the maintenance of full production.

During the summer months the vessels in the great lakes are usually employed to capacity in carrying coal, and the loss of some three months of navigation forms a handicap that can never be fully recovered. It was planned to use the rail facilities to the utmost, but even here there was a very definite limit and it did appear that at the end of the twelve-month period, at March 31 next year, we would only have received from eighteen to nineteen million tons to supply a requirement of approximately twenty-two million tons.

That, Mr. Speaker, was the basis for present orders restricting the consumption of coal. There are many consumers throughout the country who are well aware of the danger, and see clearly that five weeks' production of coal cannot be lost without serious effect. These consumers, of their own volition, have taken every possible step to conserve their dwindling supply. There are also the heedless and careless who will not see, and this government would be failing in its duty if it neglected to take such steps by order as are necessary to protect both the welfare of our citizens and the operation of our industries.

I must advise the house that a new directive will be issued requiring suppliers of coal in the central provinces to maintain sufficient stock to protect the requirements of those consumers such as hospitals, public utilities, food processing plants, et cetera, whose continuing operation is essential to the health and safety of the country.

This order also sets up a scheme of priorities on the delivery of any coal, over and above that necessary to protect the previously mentioned essential requirements. Other orders will probably be necessary in the near future, and I shall endeavour to keep the house fully informed on any prospective action.

Every possible step is being taken to use our Canadian coal resources to the practical limit, to maintain industry in operation. At the present time, practically all the available surplus of bituminous coal in both eastern and western Canada is being directed to the central provinces, and consideration is being given to the possibility of supplying some quantities of the sub-bituminous and other fuels.

I would appeal to both the miners and the management in our Canadian coal industry to put forth their utmost effort to increase production, and provide some measure of relief and protection to their fellow citizens.

I would say, Mr. Speaker, that unless the production and transportation of coal is resumed in the United States in the near future, the central provinces of Canada are threatened with nothing less than a calamity, and that our people and our industry may be faced with hardship and distress on a scale never experienced during the war years.

These remarks refer to the supply of bituminous or soft coal for use by industry and other large consumers, and I now turn to the supply of other coals for domestic heating.

Anthracite has been entering the country in about the same volume as last year but, even if supply is maintained at this level, there will not be enough anthracite to supply the requirements. Negotiations on the renewal of the present labour contract are under way in the United States between the miners' union and the operators. This contract expires on May 31, and notice has been served by the union that work will cease at that date if a satisfactory contract is not signed. Regardless of possible strike action our supplies of anthracite have, of course, been stopped by the railway strike, and even if this strike is settled in the near future, the dislocation in normal rail traffic will prevent full supply for some time. A definite possibility of a stoppage of production is a threat of extending into future weeks or months.

Some action had already been taken to maintain the supply of suitable fuel for domestic purposes by retaining the government coke

plant at Hamilton in operation. Since this and other coke plants in Ontario and Quebec use United States bituminous coal to a major extent, it will not be possible to count upon full production until bituminous coal is again available. Canadian coal is being directed to some coke plants to maintain operations on a reduced scale and prevent damage to the ovens, and this movement will be increased to the limit of the supply available.

I would advise the house that this phase of the coal problem dealing with the supply of domestic coal, which directly affects the health and welfare of every citizen, is a matter of the deepest concern. It may well be that, even with the most drastic action on the part of government, the individual consumer will have to reduce his fuel consumption in the coming winter. As soon as the situation in the United States is clarified I propose to advise the house in detail of the action taken and proposed by government to meet the serious emergency that we will have to face.

Mr. GRAYDON: In the preparation of the statement which has just been given, the minister must have refreshed his memory as to the amount of coal that we import each year from the United States. That is important to the question I desire to ask. Does the minister happen to have the figure in his mind at the moment?

Mr. HOWE: About twenty-two million tons of bituminous, and I think some two or three million tons of anthracite.

Mr. GRAYDON: The purpose of my question is to give information to the ordinary laymen of Canada who do not know much about the technical aspects of the coal problem. They should like to know why we import so much coal from the United States, and then, in an emergency such as this, find that our own coalfields are perhaps able to produce the coal. In spite of that we are importing from the other side. This is a simple question which has been put to me and to many other members of the house, and will now come up more acutely than ever before and I should like some answer from the minister.

Mr. HOWE: The capacity of the mines in Canada to produce, even at low points of consumption by industry, has never been stepped up to such an extent that Canadian production could take care of anything like the full requirements of this country. As my hon. friend knows, the coal of Canada is on the east coast, in Nova Scotia, and in the provinces of Alberta and British Columbia. Arrangements have been in effect for many years subsidizing freight rates into the central areas, so that it has been possible to ship Nova Scotia and Alberta coal to the central provinces, as far as the laid-down cost of the commodity is concerned. Nova Scotia and Alberta coal has been placed on a competitive basis with United States coal, but still our production in Canada is now something less than forty per cent of our total requirements, and only last winter quantities of American coal were shipped as far east as Truro, Nova Scotia. In other words, for the last few years the maritime provinces have hardly supplied their own requirments for coal. The western mines have supplied the needs of the prairies, and have shipped a certain amount of coal to central Canada, but even under the conditions of full production that have obtained for the last several years the additional supplies from the prairies have filled the needs of only a small part of the market in the central provinces.

Mr. COLDWELL: Has the minister considered the possibility of increasing the strip mining in southern Saskatchewan with a view to supplying the prairie area in Saskatchewan and Manitoba, and releasing the coal ordinarily used in that area for shipment to eastern Canada? Has that been considered?

Mr. HOWE: Yes. Special arrangements have been made to increase the quantities coming from the strip mines in Saskatchewan. Again it is largely a matter of available equipment. We expect another five hundred thousand tons from the south Saskatchewan area to help out the situation this winter. All the strip operations sponsored by the government during the war in the prairie provinces are now in operation, and every effort has been made to get coal from all available sources.

Mr. GILLIS: Following the minister's answer to the hon. member for Peel (Mr. Graydon), I take it he is not suggesting that we are now fully exploiting our coal resources in Canada. I think I am safe in saying that if those resources were properly developed we could supply at least seventy per cent of our own requirements.

Mr. HOWE: I would certainly appreciate anything my hon. friend could do to help me fully develop them, because for the last four years I have been putting all possible pressure on our coal mining areas to get coal for our Canadian market, yet during that period the importation of coal from the United States has almost doubled.

Mr. GILLIS: That is on the operating industry only, but a large part of our resources have not been touched.

Mr. HACKETT: Will the minister say if there is any anthracite produced in Canada?

Mr. HOWE: No.

Mr. SMITH (Calgary West): The minister spoke of getting coal to operate these coking plants. Where do you get that coking coal in Canada?

Mr. HOWE: I cannot give my hon. friend the individual mines. I could give him the information on Monday. Our experts have found that certain western mines do produce coal suitable for the particular process at a particular plant. Each coking plant uses a little different process, and coal can be found in western Canada to suit all the plants.

Mr. BLACK (Cumberland): A certain tonnage of coal and coke has come from Nova Scotia, though it is true some of it is mixed with United States coal.

Mr. SPEAKER: Order. Hon. members will admit that I have allowed a good deal of latitude in asking questions on this matter of coal, in spite of the fact that most of the questions were out of order. Questions of this kind should not be asked on the orders of the day.

USE OF BIENFAIT MINES TO ASSIST IN MEETING SHORTAGE

On the orders of the day:

Hon. C. D. HOWE (Minister of Reconstruction and Supply): May I answer a question which was asked by the hon. member for Assiniboia (Mr. McCullough). The hon. member asked whether or not plans were being made to utilize to the fullest extent possible the coal mines in the Bienfait area. I might say that the maximum production possible from this field will not be sufficient to meet deficiencies in the prairie markets. It is estimated that possibly 1·8 million tons of coal may be produced during the current year, but this is predicated upon the resumption of production by one of the larger operators. This in turn depends upon the ability of that operator to get back into production by early winter, after a disastrous fire which destroyed the tipple at that particular mine. The answer to the question is that we are doing our best.

SUPPLY

PRICE CEILING POLICIES WITH RESPECT TO FARM PRODUCTS

The house resumed from Thursday, May 23, consideration of the motion of Mr. Mackenzie that the house go into committee of supply, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mrs. Strum.

[Mr. Hackett.]

Mr. JOHN BRACKEN (Leader of the Opposition): When the house rose last evening, Mr. Speaker, we were discussing two amendments to the motion to go into supply. I was dealing with what I regard as the growing inequity to farmers arising from the government's administration of its price and wage policies. I had explained to the house that the amendment deals with two points: first, the depressing effect of the government's recent administration of its price and wage control policies on the production of food; and second, what I regard as the growing inequity being forced upon farmers by allowing increases in their costs of production without corresponding increases in the prices of their products.

With respect to the first matter, namely the effect on the production of food, I had endeavoured to show three things: first, that agricultural production, which increased year by year during the war, up to 1944, since that time had been decreasing; second, that agricultural production was decreasing more rapidly at the present time than during similar months in either of the last two years; third, that while that decrease was partly due to the weather, over which we have no control, it was also partly due to the policies of the government, over which it has full control.

With respect to the second question, namely that of the growing inequity to the rural population, I was about to attempt to show three things: First, that farm costs were being allowed to rise; second, that farm prices were not being allowed to rise accordingly, and, third—and the result of the other two—there is a growing inequity, to the disadvantage of the rural population. I think that is a fair statement of the argument respecting this part of the main amendment.

What is the evidence with respect to increases in farm costs and no compensating increases in farm prices? I propose to recite three or four sets of facts. Let me turn first to the increases which have been allowed in price ceilings on non-farm products. Many of these were outlined by the hon. member for Dauphin (Mr. Zaplitny) and by some other hon. members; therefore I shall not review them in detail. But to state a few: A 12½ per cent increase in the ceiling price of farm machinery; a 16 to 20 per cent increase in certain types of bedding and upholstered furniture; 4 cents per quart increase in the price of Barbados molasses; increases ranging from less than 5 per cent to 10 per cent in finished paper and paper products; a suspension in the ceilings on a number of less essential converted paper products; increases approximating $5 per ton on steel ingots, and the resulting

increases in large numbers of products of which steel is the raw material; an 8 per cent increase in the wholesale price of lumber; an increase in the ceiling on gasoline in western Canada of two cents per gallon.

I place these on record only to illustrate what is being done that increases the cost of production to the farmers. In addition to that, the government's policy to subsidize production is now being changed. The wartime prices and trade board have indicated that in 1945 they paid $107 million in subsidies; in 1946 they expect it will be about $99 million, and the estimate for the next year is that it will be between $60 and $75 million, or a reduction of from $30 million to $40 million in those subsidies.

Another set of facts which illustrates to farmers these costs is found in the increase in wholesale prices. That index has been rising every month since September of last year; and, what is more, the rate of increase is becoming greater.

Since September the annual rate of increase each month has been as follows: October, November and December of last year, at a rate of 2·3 per cent per year; January, 8·3 per cent; February 7·1 per cent. Then, while in March there is a drop to 3·5 per cent, in April there is an estimated increase to approximately 11 per cent. In other words for the past three months the rate of increase in wholesale prices is close to the average rate of increase from January to October 1941, before the price ceiling policy was instituted. When we consider the numerous examples of black market activities and the loss in quality of goods, the present rate of increase in wholesal price levels is probably nearly as much as it was just before the price ceiling policy began. In other words, we no longer have a stabilized price ceiling policy, because the government itself has broken it.

Another set of facts has to do with the increases in farm costs. Here again we take our statistics from government departments. Prices of agricultural products were unfair at the beginning of the war, to the extent of 20 per cent. When this policy was established it attempted to freeze the prices of farm products at a point 20 per cent below parity. Through constant pressure on the government some price ceilings have been raised from time to time, but generally speaking those changes came too late.

We need not go into the many changes which were made from them until 1943. Perhaps it is sufficient to say that by 1943 a reasonably acceptable relationship between the prices of farm products and the cost of equipment required on the farms had been achieved. The point I make is that, with the exception of two or three recent and minor changes, the majority of these farm products ceilings and subsidies have been constant for two or three years. They have been relatively constant, with the exception of these minor changes, but at the same time farm costs have been going up.

To what extent have those costs been going up? The index of the cost of things farmers buy stood in 1943 at 102·8, while to-day it is estimated to be 110·8, or an increase of approximately 8 per cent.

I might mention here that farm labour costs have more than doubled what they were in 1939, and they are 40 per cent more than in 1943, when this relationship for agriculture was established. If that relationship was approximately fair in 1943, then it is definitely out of line to-day because costs have risen to a greater extent than have prices.

That is the point I wish to make, namely that this policy has discouraged production and that it is creating an inequity that this house ought not to allow, an inequity which affects a great section of the rural population. Another evidence of this fact is to be found in the small increases introduced by the government since this motion appeared on the order paper. It will be sufficient to mention only a few of them: The removal of the two per cent consumer subsidy on milk; the proposed removal in September of the producer subsidy of 55 cents per 100 pounds; the temporary increase from 35 cents to 55 cents per hundred until September; the increase of four cents a pound on butter; an increase on hogs; an increase of 10 cents a hundred just the other day on milk entering into the production of cheese; and an increase of 8 cents a hundred on milk used in the production of concentrated milk products Those are the minor increases that have been given to this great industry, while costs all along the line have been going up. That, together with the fear in the farmers' minds that later on prices are not going to be so good, is the reason for the abandonment of farms in this and other parts of Ontario. It is causing the farmer to say, "If we cannot make a little more out of this than we put into it, we will slow up until conditions get better." With farm labour difficult to get, with farm labour higher in price, with only about one out of five of the boys who left the farms during the war to go into munition work at high pay coming back, with farmers growing older and finding these difficult labour conditions to face, not having the same patriotic impulse to produce that they had during the

war, many are not now feeling the necessity of putting their shoulders into it as they did, and the result is decreased production.

What the farmers are afraid of to-day is the return of conditions similar to what they have had to face in the past. What were those conditions? Let me take one product as an example, because it is easy to state—the history of the price of wheat. In the depth of the depression they received forty cents per bushel, the lowest figure in four hundred years. A few years later they received sixty cents per bushel. When some of us tried to get that raised to eighty cents we succeeded only to the extent of having it raised to seventy cents. The initial price went up to only ninety cents per bushel during the first two or three years of the war, and then in 1943 it was raised to $1.25. There was something from participation certificates to go on top of that.

I contend that we should try to retain at least as good as the recent relationship because it was considered to be relatively fair on the basis of what some people have chosen to call parity, which in some respects is not a fair or wholly acceptable relationship. Farmers are afraid of even that relationship being departed from, and so am I. That is why this amendment has been moved. In this connection I should like to read what was said by a gentleman who is now president of the organization which is trying to relieve famine in much of the world. The Minister of Agriculture met him in New York. I am not suggesting that we should have the same prices or the same wages that they have in the United States. We can have satisfactory conditions here if we have a right relationship between farm prices and wages. I quote from the Ottawa *Citizen* of May 22, 1946, as follows:

> Criticism of low prices paid to Canadian farmers for their products was expressed by UNRRA Director F. H. LaGuardia at the united nations food and agriculture conference yesterday.
>
> He said nations cannot get away with "squeezing their farmers" any more. Farmers must be able to earn decent incomes if nations are to prosper because farmers are industry's best customers.
>
> President Roosevelt understood this, and obtained legislation ensuring parity between agriculture and labour. This, however, has had a great bearing on Canada, resulting in disparities which must be adjusted.
>
> Later Mr. LaGuardia explained to this bureau that the low prices of Canadian agricultural products are a constant threat to farmers in the United States, who fear they will be undersold in their own markets.

I have here also a report issued by the bureau of agricultural economics, United States Department of Agriculture, in which is given the relative position of agriculture to-day in their economy. Taking the period prior to the last war as a basis of arriving at what they call the parity ratio, the index for 1945 is given as 116, with the present day figure being a little above that. That is what that nation has done for its agricultural industry. There has been some criticism over the fact that the agricultural organizations over there have been able to maintain a relatively better position for agriculture in their economy than what they regard as parity. I am not suggesting anything of the kind here. We want to get real parity, and we want to keep it and not let things drop back to where they were before.

Much has been said in this debate about the desirability of stabilized farm prices. The government has said it is trying to stabilize the situation and not let it get out of control. Speaker after speaker has said that we want stabilized farm prices. That all sounds very good, but it does not mean quite as much as it seems to. It is not only stabilized prices the farmer wants; it is a stabilized net income. If we stabilize farm prices and let farm costs go up, that will be the best way I know of to bring about the bankruptcy of our farmers.

It is somewhat comparable to the position of the wage earner. What he needs is not so much a higher hourly rate of pay, but a higher annual income. What he needs is not so much a stabilized hourly wage as a wage related to the cost of living. What agriculture needs is not only stabilized prices but prices that bear a right relationship to costs, particularly when they are increasing.

What are the facts with respect to this matter? The government has allowed its wage control policy to be broken time after time. I am not saying this by way of criticism at the moment, but it has happened. It has allowed the price ceilings to be broken in ways that have been outlined here by different speakers. In defence it has pointed to the danger of inflation, which is a real danger. But even while it points to the danger of inflation it continues to practice policies which increase that danger. Nor am I at the moment criticizing those policies; I am simply pointing to the fact that they do increase the danger. What are some of these government policies?

Samples of these inflationary policies are deficit financing to the extent of $2,500 million a year; large foreign loans; reduction in consumer subsidies; the elimination of certain import subsidies, and high, or if I may be allowed to say so, in some cases extravagant, government expenditures. All this has created

a backlog of purchasing power which is bound to break out somewhere and is breaking out in the form of the black markets that we have to-day. There is a growing lack of respect for law, which in turn has created the need of an army of agents to try to enforce the law. All these are difficulties with which the government has to deal. What is the answer? What are some of the evidences of this backlog of purchasing power?

Let me mention a few. The average monthly deposits in banks in 1939 were $2,600 million; now they are $5,700 million. The increase in savings accounts of $5,000 or less from 1940 to 1944 has been over $600 million. Bank deposits and currency in 1939 were $224 per capita; they are now $458. Notes in the hands of the public in February, 1946, were five times as great as in the pre-war period. The total of war bonds purchased amounts to over $12,000 million. This represents withdrawals as future purchasing power equal to one and one-third times the entire national income for last year. It is this backlog of purchasing power which is sure to break out somewhere and which is the cause of the black market we have now—the worst black market, in my judgment, this nation has ever had.

What is the antidote? The government tries to hold the line. One antidote is to increase production of the products in short supply, the products which the people want, and, particularly in time of war, the production of food. The best way to encourage the production of food is to give some incentive to provide more food rather than to withdraw some of the incentives we have had. We must give the farmers a square deal: that is the whole contention of this amendment.

With respect to the subamendment, it is a legitimate subject of discussion, but, I suggest, not at the expense of discarding altogether the amendment with respect to the effect of the government's policy on food production. With parts of the subamendment I agree. It is unjustifiable to increase farmers' costs without increasing their prices. Whether it is justifiable to increase the prices of steel and farm machinery on some other grounds is a question which I expect the Acting Prime Minister (Mr. Ilsley) to deal with. It has already been discussed by the hon. member for Victoria (Mr. Mayhew), perhaps by others. To the extent the government can show that the cost of labour or of materials entering into the production of these things makes these increases necessary, all those who believe in giving enterprise a fair deal will have to support the government's position. The government has made a pretty good defence. It has outlined how much the cost of labour entering into the production of steel and farm machinery has increased. I do not remember exactly the figures, but I believe it was indicated that the increase is much more than the increase which has been granted these industries. So far as those who are associated with me are concerned, if the government can justify those increases on the grounds I have mentioned we shall have no alternative but to support the government in this particular respect, because we cannot stand for a fair deal for the farmers alone and for labour alone, and deny fair treatment to those who invest their money in industries which produce needed goods and provide needed employment. If the government is too generous to these concerns, we shall vote against them; so long as they are only fair to industry, we shall support them, and I look forward to hearing what the Acting Prime Minister has to say on the matter.

As regards my own amendment, I believe the meaning is plain even though the wording may not be quite so clear as some think it should be. If the government's policy is discouraging the production of food in a time of famine, or even if it is failing to encourage the production of more food in times like these, the amendment deserves support. If the government's recent administration of the price ceiling and other control policies—and I am criticizing recent administration, not so much the administration prior to the last six months—is putting farmers in a less favourable position, the amendment should be supported; and to the extent that it is supported it will be a guide and in some degree an instruction to the government to increase farm prices at least to the same extent that it increases farm costs.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Seaker, I had not intended to take part in this debate, but the leader of the opposition (Mr. Bracken) having raised questions to which I think this group should reply, I have now decided to say a few words.

I am not going to read the amendment and the subamendment: they have been read several times, and I think the house is fully conversant with them. They deal with price ceilings and the stabilization of prices.

In this very difficult time—that is, since the war began—I have tried to appreciate the position of the government. Perhaps I have succeeded in appreciating it too much. I have refrained from criticism unless I could fully justify that criticism. I have even been accused even from the government side of supporting the government too much. However,

I am not concerned about these things; I do not mind being misunderstood by others so long as I understand myself.

We have been dealing, as I said, with the government's stabilization policies. The leader of the opposition, just before he sat down, made in my opinion a most revealing statement: he said that he had been satisfied with the government's prices policy until quite recent months. I had not thought that that was so, but I take his word for it. Why is he not satisfied with it now? I will tell you why: because the clamour for the removal of controls which has come from his side of the house, and from the government side too, and from big business in this country, has compelled the government to remove controls when removal of controls was not justified, and every time you allowed prices to rise in one place you created an inequity in some other place. The leader of the opposition nods his head in assent. That is the position we are in. This group has not been advocating the removal of all controls, which would only perpetuate the difficulties and increase the inequities we have, and which, as the leader of the opposition pointed out, the farmers had during the depression years and the workers had during that same period. Those who are advocating at this stage the removal of controls and the return to the old economy are merely deluding themselves. We cannot return to the conditions of the past any more than a chick can return into the shell once it has come out of it.

The leader of the opposition last night criticized the government for the delay in proceeding with the debate on this motion, and referred to the date on which he had moved his amendment—May 6. The government has delayed the debate much longer than that, because on April 9, when a motion was made to go into supply, the leader of this group raised the question first, of the government's practice—and this is something that the official opposition should have done—of delaying the moving of the motion to go into supply until about five minutes or even two minutes to eleven, thus preventing the members of the house from taking advantage of that motion and using it for the purpose for which it was incorporated in our rules of procedure. It was intended to give the members of the opposition, who are most likely to make use of it, the opportunity to bring up grievances before supply is granted. So that from April 9 until May 6 the government prevented this motion from coming up, and consequently prevented this discussion from taking place. The leader of this group was ready to proceed with his motion, but the leader of the opposition, being in the most advantageous position, got the eye of the Speaker.

Mr. BRACKEN: Perhaps the hon. member will permit me to say that if this debate arose earlier than five minutes to eleven, on a certain day, he may not know but I know that the leader of the opposition was responsible for it.

Mr. MacINNIS: I do not know what deals the leader of the opposition may have had with the government. We did not have any.

Mr. BRACKEN: We did not have any deal, but I protested against the procedure of going into supply at five minutes to eleven.

Mr. MACKENZIE: On a point of order—

Mr. MacINNIS: We beat the hon. gentleman to it.

Mr. MACKENZIE: The leader of the opposition saw me at six o'clock on that afternoon, before adjournment; he asked what was the business at eight o'clock, and I said supply, and he immediately got up and moved the amendment at eight o'clock.

Mr. COLDWELL: It was understood the week before that we would go into supply early.

Mr. MacINNIS: I want to refer to a few things the leader of the opposition said. Speaking in the house last night he made this statement—*Hansard,* page 1843:

> Mr. Speaker any amendment moved to a government motion, the speech from the throne or the budget or supply is of course a lack of confidence motion. In that connection I may say that this motion was not moved with any expectation of dislodging the government or in any attempt to do so. It was moved with the intention of bringing before the house and the government and the country two major questions of public policy, which I think are very important and, with all respect, very clear in the amendment that I moved.

If the only purpose of the hon. gentleman was to bring these questions to the attention of the house, I think the usual procedure is to withdraw the amendments after debate has taken place and allow the house to go into supply. I am only pointing out to the leader of the opposition the logic of his own argument. A certain trend has been evident all through the speeches of my hon. friends to the right. Later the leader of the opposition said—*Hansard,* page 1846:

> I have no objection in the world to the C.C.F. bringing forward a motion such as this and discussing it on its merits. Are these increases in the prices of farm machinery and steel unjustified? On one ground I would agree that they are. They are unjustified in so far as they increase farmers' costs without increasing farmers' prices. On other grounds I leave it to the government to bring forward evidence to show

that these increases were justified. It may be they can do so. I imagine they have that evidence, or they would not have put the increases into effect.

It is amazing what faith the leader of the opposition has in the government when the government is dealing with big business, and how little faith he has in the government when the government is dealing with agriculture or perhaps—although it was not mentioned—dealing with labour. The hon. gentleman chided us last night. He said: What would farmers say of people who framed an amendment which suggests that food producers are not workers? We never suggested that food producers are not workers. What we did was what he did this afternoon. He spoke of farmers and he spoke of industrial workers. We used those terms in the general sense in which they are employed in common usage. Now if the government increases the price of steel and farm implements and other factors which increase the cost of production for the farmer, we maintain that the farmer should have an increase in his prices, provided his prices were previously just and reasonable on the basis on which he was producing. But, if the farmer receives an increase in the price of farm products, that increase will raise the cost of living to industrial workers, and the lower the wage or salary the greater the increase will be. That is so because the worker spends a greater proportion of his wage or salary on food than the highest paid workers. The person receiving $700 a year, and having a wife and family to support, spends a greater proportion of the $700 on food than the person receiving $1,500 or $2,500 does. Therefore immediately you increase the cost of food you lower the standard of living of the low-income industrial workers. It is for that reason we say—and I have insisted on this all along—that the stabilization of prices has always been carried on the backs, or on the stomachs, of the low-paid workers of Canada.

The inference in the speeches made by the hon. members to my right would lead one to believe, if he did not know the difference, that we were debating a motion of want of confidence in the C.C.F. and not in the government. Last night the leader of the opposition said, as reported at page 1847 of *Hansard*:

> I may say to the house that at no time except the last three years has agriculture had anything like a square deal at any time since the last war.

That is some admission. But during that period we had Conservative governments and Liberal governments. During the whole of that period, on the admission of the leader of the opposition, farmers did not get a square deal. Just before that the leader of the opposition said—I am reading these in reverse—

Mr. IRVINE: That makes them logical.

Mr. MacINNIS: That is correct. The leader of the opposition said:

> About three years ago that condition was changed. I shall not go into the question of why. Perhaps rising world prices helped. An hon. member of the C.C.F. has said it was because of victories by their candidates in the west. But I have sometimes had the notion it was because in December of 1942 the official opposition took a stand for a square deal for all agriculture, as a start to raise the price of wheat from ninety cents to $1.25—which was done by the government the very next year.

The obvious question to ask at that point is why the opposition delayed so long in taking action for a square deal to the farmer. I will tell you why they have delayed so long. We will go back to beyond December 1942, when they chose my hon. friend the leader of the opposition as leader, and changed the party's name from "Conservative" to "Progressive Conservative", by the way, a contradiction in terms. In 1941 they chose a new leader in the railway committee room of this building. He was not a farmer but a leader of big business in this country. When he tried to get a seat in this house he was defeated and a C.C.F. candidate was elected in York South.

Mr. GRAYDON: He did not last long.

Mr. ROSS (Souris): Where is he now?

Mr. MacINNIS: That is quite all right; the world is young.

Mr. GRAYDON: It would need to be for him.

Mr. MacINNIS: You fellows are going and we are coming.

Mr. ROSS (Souris): You have a long way to come.

Mr. MacINNIS: If there are any congratulations on the change in policy of the Progressive Conservatives as regards farmers, and on the election of a new leader, they should go to this group and to no one else.

Mr. SMITH (Calgary West): State the facts and let it go at that.

Mr. GRAYDON: You and the Liberals were together on that.

Mr. MACKENZIE: Fight it out over there; neither of you have a chance.

Mr. MacINNIS: That remark was not made with as much confidence as it used to be, either.

Mr. GRAYDON: They are just playing around the cemetery over there.

Mr. MACKENZIE: You are in the middle of it.

Mr. SMITH (Calgary West): Who said this was the twenty-fourth of May?

Mr. MacINNIS: I said that the trend that ran through the whole of the arguments of the Progressive Conservatives in this debate was that the Progressive Conservatives alone are interested in the farmer. The hon. member for Lake Centre (Mr. Diefenbaker) took up the refrain. He said, as reported at page 1783 of *Hansard*:

Mr. ROSS (Souris): Which session?

Mr. MacINNIS: This session; Wednesday of this week. He said:

I think it can be safely said from the statement made by the minister to-day that the farmers are going to get more than $1.55 a bushel for their wheat. When that happens let it be perfectly clear that it was not my hon. friends to the left, the C.C.F. party, that mobilized opinion in this country; it was the leader of the opposition who throughout the last year has been endeavouring to secure a fair and reasonable share of the national income for Canadian farmers.

Just before that the hon. member for Lake Centre, in a voice husky with emotion, was telling the house of the need for increased production because of the terrible conditions in the countries of Europe; the very next moment he was chuckling with glee, not because we were going to feed the starving peoples of Europe but because the Progressive Conservative party was to get the credit from the farmers for the increase that the government was to allow in farm products. Well, may I tell my hon. friends that I am willing to let them have the credit, because they need a lot of it to balance the debit that the farmers of Canada have against them.

Mr. ROSS (Souris): What does the hon. member know about the farmers?

Mr. MacINNIS: What do I know about the farmers? I was farming before you were born.

Just a few days before that, I think on Tuesday, the hon. member for Dufferin-Simcoe (Mr. Rowe) paid the house the honour of a visit, and he put on a 1911 speech-making exhibition. This is what he had to say, as reported at page 1744 of *Hansard*:

I speak as a member of a party that is recognized in Canada to-day as being the farmers' party. We have not a farmer as our leader simply because he is a farmer; we have him as our leader because we represent the farmer's viewpoint in Canada.

Mr. ROSS (Souris): Hear, hear.

[Mr. MacInnis.]

Mr. MacINNIS: Say "hear, hear" after I finish reading this. I have a little office worker, and I put her to work to find out the Progressive Conservatives who represent the farmers in this house. I took the numbers of the Progressive Conservative members in the various provinces, and this is what I found. From British Columbia there are five Progressive Conservatives, not one farmer. From Alberta there are two Progressive Conservatives, one farmer-teacher. From Saskatchewan there is one Progressive Conservative, a lawyer, and I am told a good one. From Manitoba there are two Progressive Conservatives, one farmer, and the leader of the opposition. From Ontario there are forty-eight Progressive Conservatives, fifteen farmers, ten of whom are plain farmers and five hyphenated farmers. From Quebec there is one Progressive Conservative, a lawyer. From Nova Scotia there are two Progressive Conservatives, manufacturers. From New Brunswick there are three Progressive Conservatives, one farmer. From Prince Edward Island one Progressive Conservative, a fur farmer.

Mr. ROSS (Souris): How many C.C.F. in that province?

Mr. MacINNIS: Just look over here and count the farmers for yourself.

Mr. ROSS (Souris): From Ontario?

Mr. MacINNIS: I counted them. Then if you go to the provincial legislatures you get the same picture. In British Columbia, you know, we really have no Progressive Conservatives and, for that matter, no Liberals.

Mr. MITCHELL: My hon. friend mentioned a hyphenated farmer. What is that?

Mr. MacINNIS: That is a farmer-manufacturer, a farmer-business man, a farmer-contractor, a farmer-lumberman, or someone of the kind. In British Columbia there are thirteen listed as Progressive Conservatives, but in my province we call them coalitionists. There is not one farmer among them. In Alberta there are no Progressive Conservatives listed. In Saskatchewan there have been no Conservatives, either progressive or reactionary, for ever so many years. In Manitoba there are thirteen Progressive Conservatives listed, of whom two are farmers. Well, a party with a record like that surely should be careful before it comes on the floor of this house and says it alone is representing the farmers.

Mr. GRAYDON: We want to hear about the Ontario C.C.F.

Mr. MacINNIS: Don't worry; you will hear plenty about the Ontario C.C.F.

The ACTING SPEAKER (Mr. Golding): Order. I would ask hon. members to keep order. It is not very courteous to keep interrupting the hon. gentleman, and it is definitely against the rules.

Mr. GRAYDON: But he is not counting the C.C.F. in Ontario.

Mr. MacINNIS: I do not mind the interruptions.

Mr. ROSS (Souris): Your figures are not accurate.

Mr. MacINNIS: I have listened carefully to the remarks coming from all sides of the house, and I notice that on the government side most of the time was taken in comparing the cost of wiener sandwiches and haircuts in the United States and Canada. It was noticeable that there was no mention of the prices of farm products, and no mention of the wages paid in the two countries. I am not going to offer an opinion on the question whether the standard of living is higher here than in the United States, or higher in the United States than in Canada. I would be more inclined to bet on this country if I were to say anything at all, but I do not know enough about it to reach a decision. However, I am going to place on record the difference in the wages paid in some trades—and this makes a great difference if you have to pay more for your sandwiches. These figures are for the month of April, 1946:

	U.S.A. (per hour)	Canada (per hour)
Larryman, coke ovens....	1.15	.76½
Roller, bloom mill.....	2.44	1.46
Heater, bloom mill.....	2.43	1.42
Bottom maker, bloom mill	1.58	.81
Shearman, bloom mill....	1.58	.82
Manipulators, bloom mill	1.61	.91½
Stove tenders, blast furnace	1.19	.74½
Pig cast, blast furnace..	1.03	.70
Gas washer, blast furnace	1.14	.76½
General labour.....	.96½	.64½
Blacksmith	1.38	.82½-.90
Bricklayers	1.49	.90
Carpenters	1.26	.82½
Machinists	1.41	.92½
Pipefitters	1.25	.82½
Pattern maker	1.36	.90-1.00
Welders	1.31	.90

Mr. MITCHELL: Where do you get the figure of 90 cents an hour for bricklayers?

Mr. MacINNIS: These figures all have to do with the steel industry.

Mr. MITCHELL: I thought they were paid rather more than that, that is all. To finish the story, give us a comparison between the congressman in the United States and the member of parliament in Canada.

Mr. MacINNIS: I have not the figures, but my idea is that they are both overpaid.

I should like now to refer briefly to the conditions which are likely to confront the farmer in the near future, as the leader of the opposition has very well pointed out. We have to be consistent. This amendment asks for the removal of all controls on farm prices. If these controls are removed, the farmer will be able to get the high prices paid in the world market.

Mr. BRACKEN: The amendment does not ask for the removal of all farm controls.

Mr. MacINNIS: The amendment does not limit what it asks for.

Mr. ROSS (Souris): Read it.

Mr. MacINNIS: I have read it. The amendment does not mean only what is contained in the wording of it; it covers what has been said by my hon. friends all during this session. On another occasion the hon. member for Stanstead (Mr. Hackett) said something which the other members of his party spent some considerable time trying to cover up. He said the price of eggs might go to $1 a dozen and added, "Let it go." Well, that is the attitude behind these things.

Mr. ROSS (Souris): He never said that.

Mr. MacINNIS: Well, it may have been butter; but I think he also referred to eggs.

Mr. ROSS (Souris): Of course my farmer friend may not know the difference between butter and eggs.

Mr. MacINNIS: There are many new members in all sections of the house, and I suggest to them that in these difficult times through which we are passing they should get and read the report of the royal commission on price spreads in 1935. I am going to read a few very short paragraphs, the first on page 5:

> The depression has, furthermore, demonstrated that the strong and the organized are attaining an ever-increasing position of dominance in our economic life; that economic power is becoming concentrated. With this concentration, old theories of economic control are proving inadequate.

Last evening the Minister of Agriculture (Mr. Gardiner) said that we could not leave the law of supply and demand out of our calculations. The law of supply and demand is more and more going out of our calculations; and no matter how great the resistance may be, we are more and more coming into a controlled and planned economy. As a matter of fact that situation is so clear to all who care to see that it is no longer a question

whether we are going to have capitalism or collectivism. The question is what kind of collectivism we are going to have.

An hon. MEMBER: There is only one kind.

Mr. MacINNIS: That is what the hon. member says, but I do not agree with that. Indeed, the future would be hopeless, would be dark indeed, if there were nothing confronting us except the regimentation of totalitarianism or the destroying effect of a restrictive economy. And that is what capitalism is. I do submit there is something else. I quote the following from page 6.

> Fundamentally, the problems which confronted the commission are those of a transitional economy in which simple competition still prevailed in some parts, monopoly had succeeded it in others, and monopolistic or imperfect competition characterized the rest.

I submit that since 1935 that trend has gone a long way in our economy; we are much more under the control of monopoly to-day than we ever were before.

An hon. MEMBER: Government monopoly.

Mr. MacINNIS: In Canada, as everywhere else where the government has had to come into the picture, it has come in to protect the people from irresponsible private monopoly. That has been the story throughout the world. Again, reading from page 7:

> This urge to increase sales without serious price reduction is often the explanation of the intensified competition which breeds unethical practices. It is the fierceness of the struggle, not any unusual depravity in the men concerned, which leads to the adoption of such practices. No one business man can afford to follow the dictates of his conscience and refuse to conform. If he did he would be eliminated.

That is what you have in the present system. It is a struggle for survival, not of the fittest but of the slickest and the most ruthless. Then, on another page I find this:

> It is, furthermore, a tragic delusion that the solution for these economic problems can be left to automatic forces, because the conditions which once permitted the easy and equitable operation of such forces have ceased to exist.

And then one last quotation:

> From 1929 to 1933 farm prices fell 50 per cent but the production of farm crops actually increased four per cent. This is "simple competition" with flexible prices. On the other hand, the prices of agricultural machinery and implements were allowed to fall less than 7 per cent—

That is 7 per cent as compared with 50 per cent.

> —but their production in number of physical units decreased as much as 91 per cent. This is "imperfect competition" or monopoly, with rigid prices.

In the face of that let me repeat, the trend in the direction of monopoly has not diminished; it has increased. What should we do? The other day the leader of this group asked the Minister of Labour if the government would call together representatives of businesses, of farmers and of industrial workers in an attempt to iron out some of our economic difficulties. The minister replied that he did not believe in conferences. Well, for a member of a government which does not believe in conferences, we take part in a great many.

I believe we shall have to find some other purpose, some other objective, in place of the one we lost at the conclusion of the war. Last night the leader of the opposition mentioned cost-plus contracts, and other means that were taken to speed production. I think we can do something better than that to-day. I believe we can appeal to men on a basis higher than that of mere personal gain. But before we do so we shall have to give farmers and workers the assurance that if they work hard and produce in abundance, the mere existence of that abundance is not going to be the cause of their undoing. That is something we have never been able to do.

I have faith in my fellowmen. I believe that we can appeal to them, and that motives other than those of personal gain will move them. I am willing to make an appeal to the country now on that basis. As a matter of fact it is being done in Great Britain to-day.

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

Mr. MacINNIS: I wonder if I might make one further comment.

Mr. MITCHELL: Go on.

Mr. MacINNIS: The country, the government and the people as a whole are facing difficult times. We should do everything we can to bring together all the factors engaged in production in this country. As I said before, we should try to place the picture before them so that they may see the need for greater production, and so that in the days ahead we may not lose the things for which young Canadians died.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I shall be very brief. I listened to the leader of the opposition (Mr. Bracken) who spoke very briefly—about an hour and a half. Then I listened to the leader of the C.C.F. from British Columbia, who spoke for fifty-two minutes. As I understand the leader of the oppostion, he believes in lifting all ceilings on farm prices. I entirely disagree with that. Then, as I say, I listened for fifty-two minutes to my good friend from Vancouver East (Mr. MacInnis), and I still

do not understand what he means when he talks about ceiling prices, nor do I understand the subamendment moved by his party.

My only reason for speaking is to justify my own stand, and the position I shall take in the vote. When I was elected I told my constituents that if I thought the government was wrong in a matter of policy I would vote against it. But I also told them if it was a straight vote of want of confidence I would vote with the government—and on this occasion I intend to do that.

I am even more convinced that I should vote with the government, after listening to hon. members opposite. What would happen in Canada if the leader of the opposition were to lift all price ceilings? What would happen to the people if this government were put out and the party led by the leader of the opposition were to take its place?

Mr. MacNICOL: There would be great progress in Canada.

Mr. CRUICKSHANK: I do not know what name the Progressive Conservative party would use, if it were in power, or under what leader it would be.

I speak briefly this afternoon, one of my reasons being that the Minister of Labour (Mr. Mitchell) refused to take my advice. I speak to him—in a most kindly way, of course. When I spoke to him before he made a flippant answer on a matter of vital importance not only to British Columbia, but to all the people of Canada, and after listening to the Minister of Agriculture (Mr. Gardiner) we realize that it is a matter of importance to the people of the whole world. What we need most in the world to-day is foodstuffs. In British Columbia, in my district and the district of the hon. member for Yale (Mr. Stirling), we are being faced with the necessity of dumping fruits because we are not able to obtain the crates, hallocks and barrels needed for the fruit now being grown. The reasons are different from those given by the Minister of Labour (Mr. Mitchell). Apparently my services are in demand, because I got the following note,—not from the Minister of Labour:

> The Minister of Labour will see you now, and immediately you have settled the timber strike President Truman will see you in the White House.

I do not know who sent me that note. I enjoyed my last trip to Washington and I should be glad to go down again. I suggest to my hon. friend that we have plenty of troubles of our own to settle; let the United States look after theirs. I am not going to go into the timber situation to-day, in deference to my friend the Minister of Finance (Mr. Ilsley), who is acting as leader of the government. I understand he wants to have this debate brought to a close and a vote taken before six o'clock; therefore I shall be brief. But I intend to have something to say about the timber situation on Monday. I have a solution to offer to the Minister of Labour with which I think the hon. member for Vancouver East will agree.

Mr. MITCHELL: Why wait until Monday?

Mr. CRUICKSHANK: I did not want to take up too much time to-day, but I think I will take a full forty-two minutes on Monday. To-day I want to justify my stand in connection with ceilings. To the best of my knowledge I am the only member who insisted on the ceiling being taken off the prices of strawberries and raspberries. That may seem strange action on the part of a member who disapproves the removal of ceilings from all farm products, but small fruits are in an entirely different category, since they are perishable. I approached the wartime prices and trade board and asked that the announcement of the removal of this ceiling be made by April 1 in order that the producers in the Fraser valley could order the necessary crates, hallocks and barrels for SO2 berries and other fruits. Replying to a question asked by an hon. member on the other side, the Minister of Finance said that we could not expect an industrial firm to produce at a loss. I do not know how the wartime prices and trade board can justify the stand they took in expecting the farmer to produce at a loss. Before these farmers could order the necessary crates, hallocks and barrels, they had to know whether the ceiling would be taken off, but that announcement was not made until much later. I am not going to weary the house with the dates, but that was released on the same day that I was given permission to release the information. The result is that these producers have not the necessary crates, hallocks and barrels for SO2 berries and other fruits. Some solution must be arrived at, and on Monday I hope to suggest a solution to the Minister of Labour so far as British Columbia is concerned.

Unless a solution is arrived at it will be necessary to dump these fruits instead of their being preserved to be sent to the people of starving Europe. I blame this situation on the officials of the wartime prices and trade board. As I said before, there is no practical agricultural man on that board. I was not given permission to release this information earlier because they said it would work to the detriment of the producers in being able to make

a deal with the manufacturers of these supplies. I replied, "Who knows best, the producers' association or some clerk?" I will not use language such as that used by an hon. gentleman the other night, but the fact is that some of these clerks down at the wartime prices and trade board have not and never had any knowledge of small fruits. As I have said before, the sooner we put agriculture back into the hands of the Department of Agriculture, the better it will be for the producer and the consumer.

I should like to refer briefly to milk. I think the dairy producers in British Columbia will agree with me when I say that I think the government made a mistake in establishing a consumer subsidy of two cents a quart. At that time the people were prosperous; our workers were getting high wages, but now we have unemployment, our veterans are coming home from overseas, and this subsidy is to be taken off. I do not agree with the leader of the opposition that all ceiling prices should be taken off, because if that were done, things would be worse for the farmer. If a policy of subsidy payments is put into effect, then that policy should be continued while ceilings are on, and at a proper level.

I do not think the federation of agriculture will agree that the increase from twenty to thirty cents on cheese is sufficient, and the same observation would apply to the increase on milk from fifteen to twenty-three cents. I understand that a final decision has not been reached on this matter, that it is still open, and I would urge that the producers' representatives be called in and consulted. I do not want to take up any more time because as I tell my friend the Minister of Labour, I intend to take up forty-two minutes if I am permitted on Monday to explain exactly how the lumber strike in British Columbia can be settled.

Mr. WILLIAM IRVINE (Cariboo): Mr. Speaker, I am glad the hon. member who has just taken his seat (Mr. Cruickshank) has warned us about what he is going to do on Monday so that we do not necessarily have to be here. I am glad to have this opportunity of saying a few words on this matter. I understand it is hoped that the debate will be concluded before the house rises at six. I shall endeavour to complete in a very few minutes what I want to say.

In the first place I am opposed to the removal of price ceilings at this time because I believe in price control. I believe that unquestionably the object of the amendment under discussion is to remove those controls. The action taken by the government has given some excuse to the opposition to come to parliament and demand that changes be made. Increases have been permitted in commodities such as steel, oil and farm implements.

The Conservative party, with "Progressive" tacked on, has moved this amendment:

> This house is of the opinion that the government's price ceiling policies with respect to farm products are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

To me that means only one thing—the intention to remove all price controls from agricultural products. If that was not what the opposition meant, then they should have said this:

> This house is of the opinion that the government's price ceiling policies with respect to farm machinery are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

That would have made it quite clear that what the opposition wanted to do was to increase farm prices to equal the increase in the production cost occasioned by the increase in the prices of farm implements.

Mr. BRACKEN: That was the intention of the amendment.

Mr. IRVINE: If that was the intention of the amendment, then I think it was ambiguously worded. I do not question the word of my hon. friend, and I have no doubt that was his intention, but it is unfortunate he failed to convey his intention to those whom he is leading.

In the course of his speech the hon. member for Lake Centre (Mr. Diefenbaker) was asked this direct question by the Minister of Finance (Mr. Ilsley): "Is it not the announced policy of the Progressive party to remove the ceiling from prices of farm products?"

Mr. ILSLEY: "Progressive Conservative party."

Mr. IRVINE: What did I say?

Mr. ILSLEY: "Progressive".

Mr. IRVINE: Well, "progressively" Conservative party. Perhaps I had better quote *Hansard*, page 1785:

> Mr. Ilsley: Is it not the announced policy of the Progressive Conservative party to remove the ceiling from prices of farm products?

That was the question of the Minister of Finance. The reply of the hon. member for Lake Centre was this:

> Mr. Diefenbaker: There is no argument about that.

That is settled so far as our party is concerned; that is beyond all cavil. "I am speaking", says he, "about the entire ceiling." We do not want to remove the entire ceiling, we just want to remove the ceiling on the price of farm products. That in effect is the statement of one of the most effective debaters and supporters of the hon. gentleman who moved this amendment. So I think it is unfortunate that, while his intention was, as he says, to achieve something far different from that which is stated in the amendment, his party following was not informed of the fact.

The government started all this fuss by permitting the increase of prices on steel and, particularly, on farm implements. The government has told us that careful investigation was made and that it was discovered that sufficient profits could not be made by those industries unless this increase was given. I pointed out when we were discussing that particular increase, and others have said pretty much the same thing, that an increase of price of one commodity would go right down through the whole economy of the state. Already that is beginning to be felt. Farmers, wage earners and people on fixed incomes will be particularly affected by the alteration of any important commodity price. Although I believe in price control, while I am not saying there should be no alteration in it at any time for the purpose of maintaining the balance—everybody understands that that is implied in price control—I suggest that before the government granted an increase of prices to the industries I have mentioned they should have caused a survey to be taken of the wage earners' incomes and standards of living as compared with, say, the standards of living of those who are running the implement manufacturing business and the manufacturers of steel.

I am not going to quote figures at this time, but those who have studied this question will admit that the average income of the wage earners and the farmers of this country is far below that which has been found to be necessary to provide a reasonably decent standard of living. If anyone disputes that statement I would refer him to Doctor Marsh's report, which was published not very long ago, and I think it will be also agreed that since the publication of his report standards of living have not risen but have rather been lowered, because prices have risen where wages have not been correspondingly increased. Even without the increase which was granted to manufacturers of agricultural implements these people would stand a far better chance of making a very good profit than the average working man and the average farmer of Canada stands to make a fair living. Now that the increase has been granted of course the fat is in the fire; we shall have to go on increasing prices and wages until we meet ourselves coming back like the hon. member who has recently left the chamber, who spoke yesterday and who goes round in circles so much.

I would not like to be a party to the removal of price control. The amendment moved by the leader of the opposition means only one thing, the removal of price control. I want, if possible, to use my vote in such a way as to increase farm prices and wages to equal the increases already made in other commodities which enter into their costs of living and of production, but I want at the same time to support adequate price control. What the government should have done, rather than increase prices, was to take over the manufacture of farm implements, or alternatively to make it possible for the agricultural industry to get control of this manufacturing industry on a cooperative basis and produce its own implements at cost. I do not believe that the industry as it now stands is producing sufficient implements to meet the needs of agriculture. When these things happened during the war the government knew what to do and stepped in and did it. It produced the goods and won the war. Now it is charged with winning the peace. We need goods now in peace time just as badly as we did during the war, and the government is hoping by raising these prices a little to do the job, without recognizing that its action imposes a tremendous burden on the great masses of the people. I suggest then that instead of having done this they should have taken over the industry and operated it as a government institution, and then if there was a loss it would be borne by all the people of Canada rather than be placed upon the backs of agriculture. Better still, I think, it should have taken the advice of the agriculture committee in its report as contained in the journals of the house for 1937:

34. That the companies themselves—

Speaking of the implement companies.

—should make every effort to reduce these costs or farmers should be encouraged to organize for the cooperative distribution and servicing of farm implements.

I hope that the government will take notice of that suggestion and also remember that it is not merely my suggestion but the recommendation of a committee of this house, and will make it possible for the industry to be financed for the farmers and placed in their hands, in order that they may be per-

mitted to have control, to some extent at least, of some of the costs which enter into their production. If the controls were all removed from farm prices, as has been suggested specifically by hon. members speaking for the Progressive Conservative party, it would commit agriculture to the mercy of open market operations. We have a long experience of that, and the farmers have not been satisfied with it.

Every member in this house knows that when the farmer was on the free private enterprise basis he had no chance because he happened to be the one man in the country who was not able to make his own prices, to add costs and profit to the price of his commodities, and the only organization that can make prices for the farmer is the government. The government for the past few years has been making prices for the farmer, and during that period the farmers have been better off than perhaps they have ever been in their history. That is now being forgotten. The government itself is weakening somewhat on the question of the control of prices.

In the old days the Conservatives and Liberals did the same thing, though they professed to believe differently. We all know what happened in the old days of the tariff debates. The Conservatives wanted to raise the tariff and the Liberals did not want it raised, but the Liberals usually did the raising and the Conservatives lowered it. Now the Conservatives openly wish to remove price ceilings, while the Liberals say they want to have the ceilings still there, and yet they proceed to remove them. That is the position as I see it.

It may be popular to advocate the removal of farm price ceilings at the moment. While there is no doubt that if the controls were removed, the price of wheat and prices of other farm products would rise rapidly for a time, in the long-range view that would be a disastrous policy to follow. Incidentally, it is being adopted by the government itself unwittingly. But just as surely as other commodity prices have been raised, so surely will the farmers demand an increase and there will be no excuse for not giving it to them. It will have to be given; the same will be true of labour, and those of us who try to hold on to price controls will have to throw in our lot with the underdog in demanding a corresponding rise in his income.

I wish to maintain price controls. I want wages and farm incomes increased so that the standard of living of those people will be equal to that of the manufacturers who received 12½ per cent increase. The official opposition, as has been noted already, made their chief attack on the C.C.F. Particularly was the hon. member for Lake Centre (Mr. Diefenbaker) unfair when he attacked the leader of the C.C.F. in the following words, as reported at page 1781 of *Hansard*:

> It is far from my wish to contravene the rules of the house, and therefore I will put it this way. The view of the leader of the C.C.F., very clearly expressed on different occasions, has been that the C.C.F. party supports the government in its stand that there shall be no increase in the prices of farm products in this country.

I challenge the hon. gentleman to find a single sentence in any speech ever delivered by the leader of my party or by anyone else in that party which would justify any such statement.

Mr. DIEFENBAKER: If the hon. member will permit me I will read the section.

Mr. IRVINE: I should like to hear it.

Mr. DIEFENBAKER: At page 319 of *Hansard* I quote the following:

> Mr. Coldwell: I am rising because I want to make it very clear that we are not joining them in the propaganda to get rid of all price controls including the controls on the prices of farm produce.

Mr. COLDWELL: Now read the next sentence.

Mr. DIEFENBAKER: Very well:

> In order to show that I am not saying this only this afternoon I should like to refer to the speech I made in this house on March 18.

And so on.

Mr. IRVINE: Go on.

Mr. COLDWELL: I know what I said. I did not leave it there.

Mr. DIEFENBAKER: I was asked to produce the proof.

Mr. IRVINE: Of course. Now go ahead.

Mr. DIEFENBAKER: As a matter of fact, Mr. Speaker, at this particular point a definite statement was made by the hon. gentleman, the leader of the C.C.F. party, and while he certainly stated differently to-day, those are his words at page 319.

Mr. COLDWELL: The hon. gentleman will find that in the next sentence or two I suggested that price adjustments might be necessary and that all parties concerned should be called in in order to make those adjustments equitable.

Mr. DIEFENBAKER: Mr. Speaker—

Mr. IRVINE: I think I have afforded hon. gentlemen a good deal of my time. I knew perfectly well, when I threw out the challenge, that the hon. gentleman could not sustain his position. Even if we take the words

which he has read, that does not say anything of the sort he suggests; it does not mean anything of the sort; and when he drew the inference he did, it was absolutely unfair. I do not know whether I should say it was deliberate or not. I hope not; I have great respect for the hon. gentleman and I do not think he would be deliberately unfair.

Mr. DIEFENBAKER: In connection with the challenge, I should also like to read what the hon. member for Swift Current (Mr. Bentley) said.

Mr. SPEAKER: I would point out to the hon. gentleman that when a member has the floor he should not be interrupted without his permission.

Mr. DIEFENBAKER: On a point of order, Mr. Speaker, I realize that what you say is correct, but the hon. gentleman challenged me to point to particular paragraphs, and naturally, being challenged, I should be permitted to point out that the hon. member for Swift Current made his position perfectly clear at page 867 of *Hansard* when he used these words:

> As was pointed out by the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of this group, we have supported the government's policy of control, even though there has been some discontent in rural constituencies of the west, as expressed to us in letters. We supported the price ceiling of $1.55 for wheat on the ground of our belief that it was necessary for the reconstruction of the world, for the feeding of its peoples, and to make it possible for Great Britain and other countries to have sufficient agricultural products without suffering too heavily the penalties of war.

Mr. COLDWELL: Read the next sentence.

Mr. DIEFENBAKER: To continue:

> If the present increase in farm implements is allowed to continue, any support I have given to a programme of that kind will have to be withdrawn, and I shall have to join forces with those who are demanding a substantial increase in the price of farm products.

Mr. MACKENZIE: This discussion is entirely irrelevant, Mr. Speaker, but it exemplifies the complete confusion in which both the Progressive Conservative and the C.C.F. parties find themselves.

Mr. IRVINE: Now the Minister of Veterans Affairs apparently himself is confused. In reference to this alleged proof that we have been given, I suggest that the hon. gentleman has proved that what I said is absolutely true. Not a single word of what he read would justify the statement which he made. I suggest, sir, that the attack was centred on this party because it has been outspoken in favour of a planned economy and control of prices.

The opposition are not so much afraid of the government maintaining controls; but they would be very much afraid if the C.C.F. got into power, because they know that we would stand for planned economy, and so they centred their attack on us. Then they say that they are the party of the farmers. That is really an amusing statement, coming as it does from the Conservative party. I am afraid that it needs more than the Progressive appendage to guarantee that. One of the very principles of conservatism is that there are certain things that always remain the same—particularly the Conservative party. That being so, it has a long history which accounts for what it is now. It can never be other than what it is. It cannot cut itself away from its past. It is very much like this; I am not saying it with any implications at all to any hon. member or to anybody in this house. You can call a donkey "Bessie", but it would not shorten its ears or weaken its kick or make it a little bit more human than it was before. You can call the Conservative party "progressive", but the Conservative party can never get away from its past. Its whole history has been not that it was the friend of the farmers, but the very reverse. The entire policy advocated by the Conservative party and shouldered on the people of Canada ever since confederation, the policy of tariffs shows that it is anti-farmer. That is the history of the Conservative party, and they will not be able to get away with calling themselves a farmers' party until they have done something, and not merely talked about stopping someone else from doing something.

Mr. E. D. FULTON (Kamloops): Mr. Speaker—

Some hon. MEMBERS: Question.

Mr. FULTON: I am perfectly aware that the house wishes to take a vote this afternoon, and I shall try to say what I have to say within the limit of five minutes, but I will not guarantee it.

I might point out that for the last few minutes we have heard a great deal of abuse of this party because of the stand it has taken, a stand in favour of criticizing the government for its present policy of price control, for one reason, namely, because the world is faced with famine. However much hon. members may care to disagree with the method we advocate of combating that condition, I submit they cannot question the fact that we are sincere. We advocate it because we want to produce food. We say that controls were imposed previously to impede production. We now advocate the removal of the price ceiling on farm products in order to increase production to prevent famine.

The last few speeches of the C.C.F. group all attacked the hon. member for Lake Centre (Mr. Diefenbaker) who, I realize, is quite capable of taking care of himself, but he is precluded from speaking again in this debate. In the few remarks I have to make I wish to put on the record statements made by a great C.C.F. authority which I think hon. members will agree is entirely at variance with what they have been saying this afternoon. I shall not go into details of what the hon. members of the C.C.F. party have said, but I would just remind the house that the hon. member for Vancouver East (Mr. MacInnis) criticized the hon. member for Stanstead (Mr. Hackett) for advocating the removal of price ceilings. The hon. member for Cariboo (Mr. Irvine) made a violent attack on the hon. member for Lake Centre because he said that the hon. member for Lake Centre accused the leader of the C.C.F. party of not favouring an increase in farm prices, and yet the hon. member for Cariboo said—and I took down his words —"I am opposed to the removal of price ceilings." Then again he said: "To remove farm price ceilings would be a disastrous policy in the long run." If that is not a policy in favour of the maintenance of the present price ceilings on agriculture, I am at a loss to understand the meaning of the words.

In the introduction to his remarks last night, the hon. member for Rosetown-Biggar (Mr. Coldwell) used words to this effect, that he had stood solidly behind the proposition that the price ceilings must be maintained. That is the stand which we are attacking, and when we find it echoed by the members of the C.C.F. party we join in attacks on them as well as on the government.

I have said that I wanted to place on the record a statement by a high authority of the C.C.F. party which is entirely at variance with the stand taken by this party in this house this afternoon and on other occasions. Before I do so, may I say that last night I was glad to hear the hon. member for Assiniboia (Mr. McCullough) coupling the name of this authority with the name of the leader of the party in this house as authorities. The words to which I refer are taken from the Ottawa *Evening Journal* of April 25, and were spoken by an authority of the C.C.F.

Mr. COLDWELL: Name him please.

Mr. FULTON: He said:

If the dominion government—

Some hon. MEMBERS: Who is he?

Mr. FULTON: Perhaps hon. members will allow me to read the words first; then they may not be so anxious to know who the authority is, but I shall be glad to tell them. I continue:

If the dominion government were to make a full-scale retreat from the price ceilings, rather than backing away from them piecemeal, it wouldn't be so bad.

If the lid were taken off altogether, farm produce would quickly find its own price level.

Hon. members of the C.C.F. party have been asking who the authority is. The authority, Mr. Speaker, is Mr. Thomas Douglas, Premier of Saskatchewan. He said this in an interview with the *Journal* on April 25.

Mr. COLDWELL: Why pick out two sentences?

Mr. FULTON: The point I would make is that Mr. Douglas is the premier of a province and the leader of a government. He has knowledge of the problems of government. Therefore Mr. Douglas has to face realities, and is much more inclined to speak realities than the members of the party to my left.

Right Hon. J. L. ILSLEY (Minister of Finance): Before I speak in the debate, may I say that it might meet the convenience of the house if we tried to finish up some time between six and seven o'clock. After these divisions take place it will be necessary for me to ask the house for interim supply, and I am sure that not all of that can be done—although I do not intend to make a lengthy speech—before six o'clock. I am afraid that I cannot finish my speech and procure interim supply in the next half hour. Notes have been sent to the leader of the opposition (Mr. Bracken) and to the other parties, and I understand they have no objection. With the consent of the house, if I can get it, I move:

That Mr. Speaker shall not leave the chair at six o'clock to-day.

The intention would be not to sit to-night if we go past six o'clock.

Motion agreed to.

Mr. ILSLEY: We have had a long debate on the amendment of the leader of the opposition, which reads as follows:

This house is of the opinion that the government's price ceiling policies with respect to farm products are discouraging production of needed food and imposing on the food producers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

Also the amendment to the amendment, moved by the hon. member for Qu'Appelle (Mrs. Strum):

This house is of the opinion that the government's policies of permitting recent unjustifiable

increases in the prices of farm machinery and of steel have resulted in imposing on food producers and workers of Canada an unfair share of the burden of maintaining the government's price stabilization policies.

There has been much attack and cross-attack between the members of the Progressive Conservative party and the members of the C.C.F., and naturally there has been much attack upon the government by the members of both parties. This afternoon I should like to speak rather seriously, and without attempting to reply to attacks, of a political character at least, that have been made upon the government, but in defence of the government's price stabilization policy. Most of the speeches in this debate have been against the government, though there have been some excellent speeches from this side of the house in defence of the policies we are following.

We instituted the price ceiling policy in the fall of 1941, and continued that policy with great rigidity until recently in respect of everything except farm prices and wages, and perhaps fish and products of that kind. The figures I used in speaking to the house in a previous debate on farm implement prices indicate that the treatment which was accorded between 1941 and 1946 to what is called industry was entirely different from the treatment accorded to the primary producers and the wage-earners of this country. The number of wage increases that have been allowed; the extent of the wage increase that have been allowed; the number of price rises and subsidy payments which have been used to increase the returns to primary producers, have been very extensive and very great. I put some of those figures on record when I spoke to the house on that other occasion. The net result of the figures is that the level of farm prices in Canada, including subsidies, has risen 44 per cent since the basic period in the fall of 1941, not including the wheat participation certificates which would add several more units per cent. But with regard to the great range of commodities in this country, the price ceiling has been rigidly maintained. I believe that was the right policy to follow. It was a policy followed in the face of great pressure and much opposition; nevertheless it was a policy which by ingenuity and firmness we were able to follow during those years without putting people out of business.

When I say there was rigidity, there was not complete rigidity. There were price increases, some of them on unimportant products and some on more important products, during the years. But we finally came to the time when more flexibility had to be introduced. Conditions changed to such an extent, with the disappearance of war business and when the cumulative effect of wage and price increases, which entered into costs, began to be felt, that it was entirely unreasonable to expect certain industrial producers to carry on, because they would be obliged to carry on at a loss. I understand that the attitude of the Progressive Conservative party—and I am not speaking technically now; I am not speaking to the language of the amendment—has been made abundantly clear in this debate, as well as outside this house; and I believe that the policy of the Progressive Conservative party is the complete removal of ceilings on the prices of farm products. Am I correct?

Mr. BRACKEN: May I comment there?

Mr. ILSLEY: Yes.

Mr. BRACKEN: I may say to the Acting Prime Minister that, while that is the objective of the party, it is not a part of this resolution.

Mr. ILSLEY: That is exactly what I said. That is the objective of the party and the policy of the party: the immediate removal of all ceilings on farm products. Of course, if that policy were put into effect all ceilings would go almost immediately.

Mr. BRACKEN: With all respect, the minister is not speaking of this resolution.

Mr. ILSLEY: Well, I do not think we can take a legalistic view of the resolution, though I think the leader of the opposition did.

Mr. BRACKEN: Just take a realistic view of what the amendment actually says.

Mr. ILSLEY: The policy is clear, and it has been reiterated in this debate. Apart altogether from the resolution, I wish to point out to the house and to the people of Canada the disastrous consequences of implementing a policy calling for the complete removal of the ceiling on prices of farm products. Then the cost of living at once takes a great rise, with this condition of world shortage and national shortage in so many foods. When that rise in the cost of living takes place the effect on wages is immediate and violent. The effect on prices of manufactured goods is immediate and violent, leading at once to further increases in wages and further increases in prices of farm products. So that the policy of this government is not the removal of the ceilings on all farm products. It is the control of prices of farm products, which we will try to operate as fairly as possible in a period of very great difficulty.

If it had been possible for us to refrain from making any changes whatever in wages, in prices of industrial products and in prices of

farm products, despite the rigidity of that position it would have been perhaps the easiest to take. But, as I say, you come to a place in this operation when war industry disappears; when the effects of all these increases in prices through the years begin to take sharp effect; when you have to make adjustments upward, and then we enter into the most difficult phase of price control operations. As I understand the position of the C.C.F., in theory it is not very much different from the position of the government in regard to price control, with one or two qualifications.

Mr. IRVINE: Improvements.

Mr. ILSLEY: I cannot agree that they are improvements. In the early part of the debate, when I listened to the leader of the C.C.F., I thought that he was in favour of continuing rigidity; that if you back up here, you must back up somewhere else, so that we should not back up at all. I thought that was the position. But, of course, after some prodding from members of the Progressive Conservative party, the C.C.F. speakers were driven to the point of saying that they would like to see some prices go up, that there had to be an orderly upward adjustment of prices, and so on, but that it must be done on what was called a scientific basis.

Mr. COLDWELL: I said that on March 27. I have my speech before me.

Mr. ILSLEY: Then I am wrong in my interpretation of the attitude which I thought was the initial attitude of C.C.F. speakers in the debate. It will be understood that I am not trying to make political gain against them; I am just trying to clarify the situation. In theory, their position is not very different from that of the government with regard to this matter. They say that there must be other adjustments, and that the process, while a very difficult one to operate equitably, is a process which must go on.

But if I understand the speeches which C.C.F. members have made I do think this—and it is not a point which has been made very clear in the debate—that they believe in permanent price control. That is, they believe that it is not something which we should go out of, but rather that it is something incidental to a planned economy, that if we do not have permanent price control certain parts of the community will suffer and that therefore we should institute a permanent policy of price control.

That is constitutionally impossible, whether it is economically possible, or not. Having had some experience with provincial premiers, I know perfectly well it would be impossible to get an amendment to the constitution which would permit our embarking upon a policy of indefinite price control. Holding the views I do, I do not think it would be economically justifiable. I know, from the experience I have had as the minister under whom the wartime prices and trade board operates, it is just agony of the most acute kind, where we go from a period of war; during which a great many people say to the government, "Whatever you say we will do, because we are at war", to a period when each man is aggressively asserting his own individuality. I know it is just about impossible for any central authority to exercise any logical and consistent price control over a long period of time.

Therefore the government has announced a policy of progressive decontrol, and in recent months some of the ceilings have been taken off entirely. Usually in a case where an apparent balance has been struck between demand and supply, or a position has been arrived at which appears to be reasonably permanent, the government, in such instances, has taken ceilings off entirely. In other cases the ceilings have been adjusted.

The amendments of both the C.C.F. and the Progressive Conservative party condemn the government for having been unfair to agriculture, either in its policy or in its administration of policies. I cannot admit that that has been so. I can say to the house that certainly we tried not to be unfair to agriculture. One can understand that when the government is putting ceilings on this, that and the other thing, endless arguments can be developed as to whether one is fair or not. People in this world have a habit of seeing things their own way, and opinions differ as to what is fair to oneself. But, by the ordinary tests that can be applied, I suggest that the administration of our stabilization policy has been fair to agriculture.

For one thing, one might take the difference between the relationship of prices of farm products in 1945 and prices of fully and chiefly manufactured goods. I have before me a chart which I believe would be of interest to the house. That chart shows that the relationship of prices of farm products to prices of manufactured goods in 1945 was more favourable to the farmer than in any other year in the past fifty-six years, with the exception of one year, 1917, during the first world war. That is to say, the price level of farm products is farther above the price level of fully and chiefly manufactured goods than it has ever been since 1890 with, as I say, the exception of the year 1917. If we take the test of parity, again I would say that everyone

has a different definition. However, let us take the period 1926-29 as the basis of parity, a period which apparently is regarded as being a favourable one for the farmers, and which is usually referred to as the basis of parity. Official figures from the bureau of statistics show that in March, 1946, the average wholesale prices of Canadian farm products was six per cent higher than the average of 1926-29, and that is without making any allowance for wheat participation payments. I am informed that if wheat participation payments were added, instead of being six per cent the figure would be something like ten per cent. Over the same period the official index of prices of commodities and services, including labour used by the farmers had, according to the bureau of statistics, increased by seven per cent. That is, the actual level of farm prices is slightly higher to-day than in 1926-29, and the relationship between prices of goods farmers sell, and prices of goods and services farmers buy is almost identical with that which prevailed in the former period of prosperity, the advantage being in favour of the farm prices. I have taken this period because it is the one frequently quoted in respect of parity.

The leader of the opposition (Mr. Bracken) rather confirmed what I am saying on this point. He said—and very fairly, I thought —that up until six months ago, for the period up to and before that for some time, the relationship was reasonably satisfactory between farm prices and other prices.

Mr. BRACKEN: Oh, well, only for the last three years.

Mr. ILSLEY: Yes, for the last three years, since 1943.

Mr. BRACKEN: And on this technical definition of parity, which I do not accept.

Mr. ILSLEY: At any rate, what the leader of the opposition said then, and what he says now confirms what I am saying. But he bases his arguments upon developments in the last few months. I have not had an opportunity of examining the figures which he gave with regard to the movement of wholesale or farm prices since that time, because those figures were used for the first time this afternoon. But the figures which he gave show that there had been an irregular movement of wholesale prices which, on balance, is upward. I suppose those were the wholesale prices of fully and chiefly manufactured goods and that is why there had been an irregular movement.

Mr. BRACKEN: It was regular except for one month.

Mr. ILSLEY: It went up; it went down; then it went up and it is higher than it was.

Mr. BRACKEN: It started at 2·3 and went to 11.

Mr. ILSLEY: I still submit that what I say is correct, that there has been an irregular upward movement during the last few months. The leader of the opposition also gave the increases in farm prices during the last few months. He gave quite a list of the adjustments that have been made and one would have to see how those compared—

Mr. BRACKEN: Mr. Speaker—

Mr. ILSLEY: Would not it be just as well to let me finish? You have no idea how much I have listened to this week.

Mr. BRACKEN: I am listening to you and I would not have the Acting Prime Minister say that these recent increases amounted to very much.

Mr. ILSLEY: We shall never get anywhere if we are going to argue every little point. The leader of the opposition is basing his whole argument, not upon the price stabilization policy, not upon what has happened year after year and year after year, but upon what has happened in the last two or three months, since the first of the year. I have to take these figures and see whether they amount to anything. I have to balance the adjustment in farm prices against these others, and I have to see what is the trend and what are the prospects of there being further irregularities in these movements.

I am not putting forward these arguments with a view to saying that the price relationship is perfect or anything like that. I am not saying that total farm cash income while very high by any standards is too high. All I am saying is that we are confronted with an amendment, and I want hon. members, on this side of the house particularly, to understand that our price policy is being attacked vigorously by both oppositions in this house and that the administration of that price policy is being attacked vigorously by all oppositions in this house. It is being attacked on the ground that the administration has disregarded the farmer and has been unfair to agriculture.

An hon. MEMBER: And to the worker.

Mr. ILSLEY: From the C.C.F., "the worker". It is said that it has been unfair to the farmer and the worker, but the official opposition has contended mainly for the farmer. I am saying that when you apply some of these tests that are about the most valid tests that you can apply it will be seen

that the government through the wartime prices and trade board, and the government itself by its subsidy policy, has tried very hard and has succeeded reasonably well in maintaining a relationship which, on the whole, is favourable to agriculture.

Of course one of the main items of attack in this debate has been the attack on the price adjustment which was authorized for agricultural implements. There has been a large amount of discussion on that and it will be hard to answer some of the things that have been said. It will be impossible for me to answer them fully because a large number of speeches have been made and quite technical arguments have been advanced. I have already said a great deal of what I propose to say now about these adjustments.

To begin with, what was done by the wartime prices and trade board? One obvious thing should be pointed out, that the wartime prices and trade board did not order up these prices. All the wartime prices and trade board did was to say that if the companies put them up, they could not put them up more than 12½ per cent at retail. It was not a case of putting up these prices; it was a case of saying that they could put them up only so much.

An hon. MEMBER: That was plenty.

Mr. ILSLEY: Just let me talk now. I am not very good at repartee and it throws me off if there are too many interruptions. I should like to go along without any interruption. When I spoke to this house before, I said that I had confidence in the price-fixing agency we have in this country. During the debate this week I have heard one speaker after another attack the wartime prices and trade board on one ground and another, and upon my word one would have thought that we had in Canada a price control agency that was a bad one, that was something we should be ashamed of. I am only saying what people everywhere are saying, and perhaps it is going a little too far for me to assert dogmatically that we have the best price control agency in the world. Compared with any price control agency that one hears about in any other country, the price control agency in the Dominion of Canada is recognized within this country and out of this country as being as conscientious, as competent, as resolute and as efficient as any body could be. I must shout that if necessary to the people and to this house because it is true that the price control agency we have in this country is a good price control agency.

Mr. REID: That cannot be refuted.

[Mr. Ilsley.]

Mr. ILSLEY: It is a little hard for me to take these attacks upon Mr. Gordon. It is within the privileges of hon. members to make them, but it is within my right to defend the wartime prices and trade board, and I hereby do so to the utmost of my ability. The wartime prices and trade board did not act speedily or hastily in this matter. They received applications from the implement companies as early as January for an increase in prices on the ground that with the loss of their war business, with the smaller volume that they would have thereby and with the increases in costs—some of them substantial—they were getting to a place in 1946 when it would be virtually impossible for them to do business if they were not permitted to advance their prices.

They advanced figures, but some of the critics have said that those were merely figures given by the companies and they would not be convinced anyway, that they ought to be investigated. Those figures were investigated as far as it was practical for an official agency to investigate figures. After a protracted investigation, the wartime prices and trade board came to the conclusion that ceilings should be lifted to this extent if we were to have production in this country this year. The production of agricultural implements in this country this year is very important.

Mr. COLDWELL: Did the wartime prices and trade board know of the stock bonus that was given to the officials?

Mr. ILSLEY: No, they did not. I made inquiries about that and I am glad the leader of the C.C.F. brought the matter up. They did not know about that, but I do not see what relevancy it has. The government knew nothing about it and the wartime prices and trade board knew nothing about it. The policy of distributing stock among employees is not an unusual policy. I understand it has been done before by implement companies and on some occasions the stock has gone down. In this case the stock went up and then came down slightly, if I understand correctly the record of that stock. The board did not consider it was part of their duty to go into the valuation that a speculative public might put upon common stocks because anything might happen to-day to common stocks, and there are fluctuations in a great many common stocks. The wartime prices and trade board kept their minds on what they considered were the essentials of the situation.

By the way, I wish to say that when I interjected the other day that there was distribution to wage-earners I was wrong about that;

it was to quite a number of salaried employees, not to wage-earners. But that again is irrelevant if my view of the situation is correct.

The basic standard in considering the case for a price increase is what is called financial need, based on the over-all financial position of the producer concerned. If an industry or firm can show that it is getting or is likely to get in the near future an unreasonably low return or no return on its operations it has a case for a price adjustment. Under our economic system, industrialists, merchants and farmers require reasonable incentives if we are to get a high level of production and employment. It has never been part of the stabilization policy to ask producers to work at a loss or at an unreasonably low return. The prices board has squeezed margins in many, many cases, but there comes a time when it is unreasonable to ask particular producers to absorb any further squeeze, and when to attempt to do so might have unfavourable effects on production.

The implement companies in this case were able to demonstrate to the satisfaction of the board that without some relief their profits would be unreasonably low and, in the case of some companies, non-existent in 1946; not their profits from one particular employment or type of business, but the profits on the total of their business, including their export business, which is more profitable than their domestic business owing to the price control here in Canada. That is why they received an adjustment, because they could show that their financial position justified some relief. They did not get the relief by just asking for it. They had to produce their figures in great detail; they had to answer a great variety of questions put to them by prices board officials, the sort of detailed questions which some hon. members have been raising. Investigation of their position took a considerable length of time and a great deal of work. They applied in January. The adjustment was not decided until April.

Having decided that some relief was necessary, the board had to decide how much. After making a number estimates about volume and costs in 1946, the board came to an adjustment which it estimated would permit the companies to make in 1946 an average of 70 per cent of their approved standard profits.

I want to explain what these standard profits are. In the case of a company that applies to the board of referees, these profits are fixed by the board, under the Excess Profits Tax Act, according to the principles laid down in that act, and I have never heard any criticism of the board of referees on the ground that it was too generous in its fixing of standard profits. I have heard quite a lot of criticism on the other side, that it was unfair to these companies and was squeezing excess profits out of them by fixing too low a standard of profits. The board estimated on the basis of this 12½ per cent increase, if they took advantage of it, they would, in 1946, make 70 per cent of their approved standard profits.

The estimates the board used in regard to the volume of business they would do and the costs which they would incur in 1946 appear to have been too optimistic, for two or three reasons. In the first place, the effects of the steel and coal strikes in the United States on the quantity of materials and components likely to be available are serious, and yesterday we had this railway strike in the United States. These contingencies could not have been foreseen. But all these things are upsetting this calculation and making it likely that the volume of business done by the implement companies in Canada in 1946 will not be as great as estimated by the board. The board made its award on the basis of the volume being double the average volume of 1936-39, and it may fall considerably below that; if it does, of course the costs per unit go up proportionately.

Moreover, the estimate of costs did not take into account the probability that prices of United States components will increase in line with the recent authorized increase in prices of finished machinery in that country. In the United States, it must be borne in mind, shortly after the increase was permitted in the selling price in Canada an increase was permitted in the selling price in the United States which gave the manufacturer, if it were taken advantage of, something over ten per cent increase. But, prior to that, manufacturers in the United States had had several increases; in fact the recent increase, together with the previous increases, were given by the hon. member for Victoria, British Columbia (Mr. Mayhew) in his speech to the house, as somewhere between 17 and 22 per cent since 1941, during which time we held our prices absolutely rigid. Not only is that so, but the office of price administration in the United States is authorizing from time to time new price increases on particular implements for particular companies in that country. I want to bring that to the attention of the house because, while conditions are not the same in Canada as in the United States, it lends quite a lot of weight to the reasonableness of the action of Canada, which never allowed a price increase at all from 1941 down to 1946 for farm implements, when in the United States they have to allow a still

further increase in the price of farm implements although several had already been granted in the intervening period.

In consequence, it is clear that the companies will find it difficult to achieve the level of earnings which the board regarded as reasonable when it authorized the 12½ per cent price adjustment on Canadian-made implements sold in Canada.

On the question of increases in costs, we have had a lot of interesting speeches. It was pointed out first by the hon. member for Qu'Appelle that when I said that wages in this industry had increased 28½ per cent, factory overhead had increased 23 per cent and the cost of materials had increased 20 per cent, I was not saying anything very important, because those percentages applied to only a small part of the retail price, and that the figure of percentage of direct labour employed in the manufacture of implements was given as very small. It is small in the farm implement industry. But direct labour is only part of the labour which enters into the cost of implements. The item of factory overhead, if I remember correctly, includes 70 per cent labour—what they call indirect labour—and while it is not a logical or a valid deduction to say that, because wages have gone up 28½ per cent, or in the case of Massey-Harris, 33 per cent, according to the figures I gave the house before, they can reasonably expect the cost of their implements to go up that much; while that must be conceded, nevertheless there is a substantial increase in over-all costs after allowing for the reduction in selling costs. The hon. member for Wood Mountain (Mr. Argue) seemed to assume that there had been a 40 per cent reduction of selling costs since 1941. There has been only a 20 per cent reduction of selling costs since 1941; and 40 per cent reduction has been since the 1936-39 period, and if the hon. gentleman will look at the speech of the hon. member for Victoria (B.C.), he will see that that is the case.

Mr. ARGUE: I would not wish to interrupt the minister, but I did not assume that it was from 1941 to 1945; I took the statement of the parliamentary assistant that it was a 40 per cent reduction from 1936.

Mr. ILSLEY: I thought on reading the hon. gentleman's speech that he did assume as I said, but if he did not, well and good.

I asked the wartime prices and trade board to go over the matter of increase in costs and arrive at a figure of increased costs of production of these implements as a whole, not of any particular implement; and after going into the matter very carefully they have advised me that the actual net increase in total costs as a percentage of the retail price has been approximately 15 per cent since 1941.

The hon. member for Wood Mountain got a considerably lower figure than that, but the figure arrived at by the wartime prices and trade board is an increase in total costs as a percentage of the retail price of approximately 15 per cent.

But that is only part of the story. Since then, the earnings of the companies have been adversely affected by the cancellation of war contracts. Indeed, because of the removal of war business, their total sales volume will be smaller in 1946 than in 1945. Some of the facilities used for war production are not suitable for the manufacture of implements and, in addition, shortages of materials are limiting the extent of expansion in implement output. The price adjustment which was authorized was based on all the relevant considerations, not on the position concerning one implement or group of implements or type of business. Costs were carefully examined. Estimated volume was studied. The proportion of export business was considered. All these factors and others entered into the decision. I cannot say that the increase on a given particular implement is the exact amount which theoretically might have been applied on that implement. The board simply could not have adjusted prices in that sort of detail. It had to look at the over-all position and to make the smallest practicable adjustment that was appropriate to the over-all position. That is precisely what the board did.

As I said at the beginning, we did not want to do this. We knew it was not exactly the sort of action that was calculated to add popularity to the government—increasing the price of farm implements. But one has to be fair about these matters. One has to be fair to industry as well as to agriculture. We cannot say that we are the party of any particular section of the community, as the hon. member for Dufferin-Simcoe (Mr. Rowe) said the other night. We have to look at the situation from the point of view of the people as a whole, and we must therefore be fair to agriculture, to labour and also to business.

I am satisfied that this adjustment which was made was fair, that it was necessary, unless we were to treat the agricultural implement industry, just because it was the agricultural implement industry, on a basis different from that on which we treat all other industries.

I do not think I have very much more to say. As I said at the opening of my remarks, I have no apologies whatever to make for the wartime prices and trade board, and the work that it has done for this country since it

was set up at the beginning of the war. I repeat, I have no apologies to offer for it to-day.

We cannot take the position, which the Progressive Conservative party is taking, that we must remove at once all ceilings from prices of agricultural products, because in a very few weeks that would bring ruin to the whole population of Canada. That is an irresponsible position to take.

Mr. COLDWELL: That is not what the resolution says.

Mr. ILSLEY: Their resolution does not say that, but everyone else says it. If I understand the position of the C.C.F. party, I cannot share their view that we should not decontrol, that we should go on permanently as we are. We cannot do that constitutionally, nor do I think it would be practical from an economic point of view. I do not for one moment admit their position; I assert the very contrary. I assert that in this particular instance of agricultural implements we have acted with great care, with fairness and with moderation and have authorized an increase which was no more than was necessary to make it possible and probable that we should get the maximum production of agricultural implements in 1946.

The house divided on the amendment to the amendment (Mrs. Strum) which was negatived on the following division:

YEAS

Messrs.:

Archibald	McCuaig
Argue	McCullough (Assiniboia)
Bentley	MacInnis
Blackmore	McKay
Bowerman	Matthews (Kootenay East)
Bryce	Moore
Burton	Quelch
Campbell	Stewart (Winnipeg North)
Castleden	Thatcher
Coldwell	Townley-Smith
Fair	Wright
Irvine	Wylie
Jaenicke	Zaplitny—29
Knight	
Kuhl	
Low	

NAYS

Messrs.:

Arsenault	Cruickshank
Baker	Dechene
Beaudoin	Denis
Bertrand (Prescott)	Diefenbaker
Blair	Dionne (Beauce)
Boivin	Douglas
Boucher	Emmerson
Bracken	Farquhar
Bradette	Fontaine
Brunelle	Fournier (Hull)
Cardiff	Fulton
Clark	Gardiner
Coté (Verdun)	Gauthier (Portneuf)
Gibson (Comox-Alberni)	McLure
Gibson (Hamilton West)	McMaster
Glen	MacNicol
Golding	Marquis
Gourd (Chapleau)	Maybank
Grant	Mayhew
Graydon	Mitchell
Green	Mutch
Hackett	Nixon
Harkness	Pearkes
Hazen	Reid
Howe	Richard (Ottawa East)
Ilsley	Ross (Souris)
Jean	St. Laurent
Jutras	Sinclair (Vancouver North)
Lafontaine	Sinnott
Langlois	Smith (Calgary West)
Laurendeau	Stuart (Charlotte)
Little	Stirling
McCann	Tremblay
McCulloch (Pictou)	Tucker
McGregor	Tustin
McIlraith	Viau
McIvor	Warren
Mackenzie	Weir
MacKinnon	Winkler
MacLean	Winters—80

Mr. HLYNKA: I was paired with the hon. member for Kenora-Rainy River (Mr. Benidickson). Had I voted I would have voted for the amendment to the amendment.

Mr. ISNOR: I was paired with the hon. member for Colchester-Hants (Mr. Stanfield). Had I voted I would have voted against the subamendment.

Mr. LEGER: I was paired with the hon. member for Haldimand (Mr. Senn). Had I voted I would have voted against the amendment to the amendment.

Mr. MATTHEWS (Brandon): I was paired with the hon. member for Norfolk (Mr. Barrett). Had I voted I would have voted against the amendment to the amendment.

Mr. JACQUES: I was paired with the hon. member for Drummond-Arthabaska (Mr. Cloutier). Had I voted I would have voted for the subamendment.

Mr. HERRIDGE: I was paired with the hon. member for Maisonneuve-Rosemont (Mr. Fournier). Had I voted I would have voted for the subamendment.

Mr. CHARLTON: I was paired with the hon. member for St. Ann (Mr. Healy). Had I voted I would have voted against the subamendment.

Mr. DANIEL: I was paired with the hon. member for Parry Sound (Mr. McDonald). Had I voted I would have voted against the amendment to the amendment.

Mr. MENARY: I was paired with the hon. member for Wellington South (Mr. Gladstone). Had I voted I would have voted against the subamendment.

Mr. JOHNSTON: I was paired with the hon. member for Halton (Mr. Cleaver). Had I voted I would have voted for the subamendment.

Mr. SPEAKER: The question is on the amendment.

Mr. LOW: Before the vote is taken, Mr. Speaker, will you permit me to put a specific question to the leader of the opposition?

Some hon. MEMBERS: No.

Mr. SPEAKER: I am sorry; I do not think I can do that.

Mr. LOW: I did not speak to the motion, and unfortunately I had to be out of the house for a short time this afternoon.

Mr. SPEAKER: If the hon. gentleman wants to put a question on the amendment which is before the house, he may do so.

Mr. LOW: That is what I wish to do. In the light of the exchanges that took place between the Minister of Finance (Mr Ilsley) and the leader of the official opposition (Mr. Bracken) this afternoon, I should like to ask whether the leader of the opposition means by his amendment the immediate and complete removal of ceiling prices on farm products. If that is the purpose of his amendment it would make a difference in the way I voted. If it is not; if it means exactly what the words say, then of course I must govern myself in another way.

Mr. BRACKEN: If I may be permitted to answer, Mr. Speaker, I think our position was made clear to the Acting Prime Minister. This resolution means exactly what it says, and nothing more. It means a square deal for agriculture.

The house divided on the amendment (Mr. Bracken) which was negatived on the following division:

YEAS

Messrs:

Archibald
Argue
Bentley
Blackmore
Blair
Boucher
Bowerman
Bryce
Burton
Campbell
Castleden
Coldwell
Diefenbaker
Fair
Graydon
Jaenicke
Knight
Kuhl
Low
McCuaig
McCullough (Assiniboia)
MacInnis
McKay
McLure
McMaster
Matthews (Kootenay East)
Moore
Quelch
Smith (Calgary West)
Stewart (Winnipeg North)
Stirling
Thatcher
Townley-Smith
Tustin
Wright
Wylie
Zaplitny—37

NAYS

Messrs:

Arsenault
Baker
Bertrand (Prescott)
Boivin
Bradette
Brunelle
Coté (Verdun)
Cruickshank
Dechene
Denis
Dionne (Beauce)
Douglas
Emmerson
Farquhar
Fontaine
Fournier (Hull)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Glen
Golding
Gourd (Chapleau)
Grant
Howe
Ilsley
Jutras
Lafontaine
Langlois
Laurendeau
Little
McCann
McCulloch (Pictou)
McGarry
McIlraith
McIvor
Mackenzie
MacKinnon
MacLean
Marquis
Maybank
Mayhew
Mitchell
Mutch
Nixon
Reid
Richard (Ottawa East)
St. Laurent
Sinclair (Vancouver North)
Sinnott
Stuart (Charlotte)
Tremblay
Tucker
Viau
Warren
Weir
Winkler
Winters—56

PAIRS

(The list of pairs is furnished by the chief whips).

Beaudoin
Beaudry
Bertrand (Laurier)
Bertrand (Terrebonne)
Blanchette
Bonnier
Claxton
Coté (St. Johns-Iberville-Napierville)
Coté (Matapedia-Matane)
Dion (Lake St. John-Roberval)
Eudes
Gariépy
Jean
Marier
Mullins
Parent
Picard
Pinard
Pouliot
Raymond (Wright)
Rinfret

Whitman
Breithaupt
Brown
Chevrier
Croll
Harris (Grey-Bruce)

McCubbin

Macdonald (Brantford City)
Robinson (Simcoe East)
Ross (Hamilton East)
Sinclair (Ontario)
Smith (York North)
Kirk
Bridges
Maloney
Michaud
MacNaught
Fleming
Adamson
Lockhart
Lacombe

Lennard
Robinson (Bruce)
Aylesworth
Case

Raymond (Beauharnois-Laprairie)
Gagnon

Fraser
Hatfield
Homuth
Bradshaw
Webb
Rowe
Jackman
Stokes
Ashby
Hamel
Macdonnell (Muskoka-Ontario)
Harkness
Harris (Danforth)
Henderson
Casselman
Kidd
White (Hastings-Peterborough)

White (Middlesex East)	Stephenson
Manross	Hodgson
	Massey
	Ross (St. Paul's)
Probe	Drope
	Ferguson
Cockeram	Coyle

Mr. GIBSON (Hamilton West): I was paired with the hon. member for Trinity (Mr. Skey). Had I voted I would have voted against the amendment.

Mr. JEAN: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted I would have voted against the amendment.

Mr. ISNOR: I was paired with the hon. member for Colchester-Hants (Mr. Stanfield). Had I voted I would have voted against the amendment.

Mr. MATTHEWS (Brandon): I was paired with the hon. member for Norfolk (Mr. Barrett). Had I voted I would have voted against the amendment.

Mr. LEGER: I was paired with the hon. member for Haldimand (Mr. Senn). Had I voted I would have voted against the amendment.

Mr. BONNIER: I was paired with the hon. member for Bruce (Mr. Robinson). Had I voted I would have voted against the amendment.

Mr. CLARK: I was paired with the hon. member for Kent, Ontario (Mr. Desmond). Had I voted I would have voted against the amendment.

Mr. BRACKEN: As the house perhaps knows, I was paired with the Prime Minister (Mr. Mackenzie King). Had I voted I would have voted for the amendment.

Mr. ROSS (Souris): I was paired with the Minister of Agriculture (Mr. Gardiner). Had I voted I would have voted for the amendment.

Mr. CHARLTON: I was paired with the hon. member for St. Ann (Mr. Healy). Had I voted I would have voted for the amendment.

Mr. DANIEL: I was paired with the hon. member for Parry Sound (Mr. McDonald). Had I voted I would have voted for the amendment.

Mr. HARKNESS: I was paired with the hon. member for Mount Royal (Mr. Whitman). Had I voted I would have voted for the amendment.

Mr. HAZEN: I was paired with the hon. member for Essex East (Mr. Martin). Had I voted I would have voted for the amendment.

Mr. HACKETT: I was paired with the hon. member for St. Antoine-Westmount (Mr. Abbott). Had I voted I would have voted for the amendment.

Mr. BROOKS: I was paired with the hon. member for Labelle (Mr. Lalonde). Had I voted I would have voted for the amendment.

Mr. BLACK (Cumberland): I was paired with the junior member for Halifax (Mr. Macdonald). Had I voted I would have voted for the amendment.

Mr. MacNICOL: I was paired with the hon. member for Nipissing (Mr. Gauthier). Had I voted I would have voted for the amendment.

Mr. GREEN: I was paired with the hon. member for Rimouski (Mr. Belzile). Had I voted I would have voted for the amendment.

Mr. MENARY: I was paired with the hon. member for Wellington South. (Mr. Gladstone). Had I voted I would have voted for the amendment.

Mr. FULTON: I was paired with the hon. member for Montmagny-L'Islet (Mr. Lesage). Had I voted I would have voted for the amendment.

Mr. MURPHY: I was paired with the hon. member for Joliette-L'Assomption-Montcalm (Mr. Lapalme). Had I voted I would have voted for the amendment.

Mr. PEARKES: I was paired with the hon. member for Sherbrooke (Mr. Gingues). Had I voted I would have voted for the amendment.

Mr. ARCHIBALD: In the absence of a farmer party, I have voted for the amendment.

Mr. JOHNSTON: I was paired with the hon. member for Halton (Mr. Cleaver). Had I voted I would have voted for the amendment.

Mr. GOUR (Russell): I was paired with the hon. member for Vancouver-Burrard (Mr. Merritt). Had I voted I would have voted against the amendment.

Mr. JAQUES: I was paired with the hon. member for Drummond-Arthabaska (Mr. Cloutier). Had I voted I would have voted for the amendment.

Mr. HLYNKA: I was paired with the hon. member for Kenora-Rainy River (Mr. Benidickson). Had I voted I would have voted for the amendment.

Mr. HERRIDGE: I was paired with the hon. member for Maisonneuve-Rosemont (Mr. Fournier). Had I voted I would have voted against the amendment.

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

INTERIM SUPPLY BILL

Mr. ILSLEY moved:

Resolved, that a sum not exceeding $136,598,972.86, being one-twelfth of the amount of each of the several items to be voted, as set forth in the estimates for the fiscal year ending March 31, 1947, laid before the House of Commons at the present session of parliament, plus an additional sum not exceeding $2,327,018.33 being one-twelfth of the amount of each of the items 8, 10, 11, 16, 26, 122, 125, 126, 139, 140, 142, 159, 160, 163, 165, 166, 167, 170, 175, 373, 401, 402, 433, 479, 541, 554, 559 and 620; plus a further additional sum not exceeding $64,911,397.66, being one-sixth of the amount of the several items 172, 174, 419, 464, 482, 487, 501, 549, 551, 555, 558, 569, 605, 610 and 611, a total of $203,837,388.85, be granted to His Majesty on account for the fiscal year ending March 31, 1947.

Mr. LOW: Does the minister intend to ask for another interim supply?

Mr. ILSLEY: I certainly do. I wanted one-sixth, but the leader of the opposition thought that under the circumstances he should agree to only one-twelfth, so I shall be back soon.

Motion agreed to.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

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

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

Mr. ILSLEY moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1947, the sum of $203,837,388.85 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 141, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1947.

Motion agreed to and bill read the first time.

Mr. ILSLEY moved the second reading.

Mr. GRAYDON: May I ask for the customary protection from the minister that in agreeing to second reading of this bill we shall lose none of our rights with respect to discussion, deliberation, and the final passing of estimates?

Mr. ILSLEY: I take pleasure in giving that undertaking which is the usual one.

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

Sections 1 to 5 inclusive agreed to.

The ACTING CHAIRMAN (Mr. Golding): Shall the preamble carry?

Mr. GRAYDON: I think it is customary to mention the schedules because they are perhaps the most important part of the bill.

Schedules A and B agreed to.

Bill reported, read the third time and passed.

On motion of Mr. Ilsley the house adjourned at 7.05 p.m.

Monday, May 27, 1946.

The house met at three o'clock.

VETERANS AFFAIRS

Sixth report of special committee on veterans affairs—Mr. Tucker.

LABOUR CONDITIONS

LUMBER INDUSTRY—STRIKE IN BRITISH COLUMBIA —FOOD CONTAINERS

Right Hon. J. L. ILSLEY (Acting Prime Minister): The hon. member for Fraser Valley (Mr. Cruickshank) indicated on Friday that he intended to-day to bring up the question of the supply of wooden containers for food in British Columbia the production of which is rendered impossible by the strike of those engaged in making lumber for boxes and material for baskets and other wooden food containers.

I understand that if these containers are not produced the result will be a large wastage and spoilage of food of many kinds produced in British Columbia both for the Canadian market and the overseas market during the coming months. I understand also that there is a disposition on the part of both operators and members of the unions to recognize the gravity of this situation and that meetings are being held, at least between the farmers and the workers, with a view to putting an end to this lamentable situation.

As the house knows, the importance of food at the present time is of great concern to the government, and I would like to say on behalf of the government that it is the sincere hope

and wish of the government that arrangements be immediately made whereby the industry making material for wooden food containers will resume work at once, without prejudice to any negotiations regarding conditions in the industry which are now proceeding.

The Minister of Labour is unavoidably absent from the house to-day but I know that this is his wish as well as that of the other members of the government, and I am therefore, on behalf of the government, making this earnest appeal to all those concerned in this dispute to arrange for the resumption of work at once in the lumber mills which make lumber for containers for the shipping of fish and fruit and other food products.

I am not now dealing with the other phases of the strike in British Columbia, which are very grave. I will have to leave these for the Minister of Labour, who is putting forward every possible effort to bring about the settlement of the dispute as a whole.

Mr. CRUICKSHANK: I wish to express my thanks to the minister for his statement. Now I will not move the adjournment of the house.

GRAIN

1944 CROP—BARLEY EQUALIZATION FEE—ONTARIO WHEAT EQUALIZATION FUND

Hon. J. A. MacKINNON (Minister of Trade and Commerce): On behalf of the Canadian wheat board I wish to make a brief statement regarding the 1944 barley equalization payments and the 1944 Ontario wheat equalization fund.

We are at present in process of making payment to all producers who delivered barley either through country elevators or by farm-to-farm transactions in the crop year 1944-45. An amount totalling $6,106,932.94 is involved in this payment, being the difference between the advance equalization payment and the equalization fees collected in respect of barley exported, after allowing for administrative costs and the estimated cost of making the payment. The payment covers deliveries made between August 1, 1944 and July 31, 1945, inclusive. In the case of deliveries through country elevators, the cheques are compiled from information submitted to the board by the handling companies. Where producers made deliveries to more than one elevator, separate cheques will be issued, one for each of the companies to whom deliveries were made. The cheques will be forwarded to the elevator companies for distribution when completed, but cheques covering the farm-to-farm transactions will be distributed by mail from the offices of the board.

Approximately one hundred and fifty-five thousand cheques are involved covering total deliveries of 80,435,781 bushels, and the amount per bushel of the payment is 7·59 cents.

Immediately following completion of the barley payment, payment will be made to the producers who delivered Ontario winter wheat in the 1944-45 crop year. This payment will be made on the basis of monthly reports received from the elevator agents in the province of Ontario. The surplus arising as a result of the equalization fees collected in Ontario winter flour and other wheat products exported from that crop, after allowing for administrative costs and the estimated cost of making the payment, totals $192,824.77. The per bushel payment amounts to 3 cents. Approximately twenty-nine thousand cheques are involved.

Mr. BRACKEN: Mr. Speaker, may I ask a question with respect to the announcement the minister has just made? He mentioned that the barley equalization payment has already been made.

Mr. MacKINNON: No—is in process.

Mr. BRACKEN: Is in process of being made. When it is made, then a similar payment with respect to Ontario winter wheat will be made?

Mr. MacKINNON: Yes. The wheat board is proceeding with the barley payments now, and as soon as they are completed the Ontario payments will be made. The wheat participation payments will follow that.

Mr. BRACKEN: That is the question I was going to ask. There has been a good deal of criticism with respect to the delay in the payment of the participation certificates. My understanding is that they have not been paid since prior to 1943. Can the minister say now when these payments are likely to be made?

Mr. MacKINNON: I have been in very close touch with the wheat board on this matter, partly because hon. members on the other side of the house have raised the question here. The assurance I get from the wheat board is that the issuing of these cheques will commence in June immediately following the cheques to which I made reference in my statement.

Mr. BRACKEN: That is for the crop year 1943-44?

Mr. MacKINNON: Yes.

Mr. ROSS (Souris): May I ask a supplementary question? Would it be possible for the minister to make a statement before the cheques are issued as to how much per bushel these payments will be?

Mr. MacKINNON: That is exactly what we are waiting for—advice on what the payments will be, and to have the auditors pass on them. Just as soon as that figure is arrived at, and I believe it has just been arrived at, the cheques can be made out. I understood that the hon. member for Souris was asking for the prices of the different grades. The actual price, if it is now known, has just been arrived at.

STANDING COMMITTEES

EXTERNAL AFFAIRS—RADIO BROADCASTING—CHANGE IN PERSONNEL

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

That the name of Mr. Breithaupt be substituted for that of Mr. McIlraith on the standing committee on external affairs.

That the name of Mr. Coldwell be substituted for that of Mr. Zaplitny on the special committee on radio broadcasting.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WAR ASSETS—AIR FORCE BUILDINGS AT MEDICINE HAT

Mr. WYLIE:

1. What buildings have been sold at No. 34 S.F.T.S. Medicine Hat, Alberta?

2. Who were the purchasers and what amount was paid for these buildings?

3. Who purchased the linoleum from the officers' mess?

Mr. McILRAITH:

1. and 2. The following buildings have been sold to the city of Medicine Hat for $15,092:

No. 5 N.C.O.'s quarters; No. 6 N.C.O.'s quarters; No. 7 N.C.O.'s mess; No. 9 other ranks quarters; No. 10 other ranks quarters; No. 15 hospital; No. 17 large canteen; No. 30 dental clinic; No. 32 other ranks quarters; No. 3 officers quarters.

One of the conditions of sale in respect to all buildings mentioned above was that all normal fixtures contained within the buildings were included and further that the buildings were not sold for removal but were to remain on the site provided that fencing-in of the property along the lines as indicated in the site plan was undertaken by the purchaser. The buildings are to be used for emergency housing.

3. The linoleum, not being crown property, has not been declared surplus to War Assets Corporation.

POLYMER CORPORATION—PRODUCTION OF RUBBER

Mr. MURPHY:

1. What is the present cost per pound for the production of the different types of rubber produced by the Polymer Corporation Limited?

2. What was the cost for the production of the different types of rubber by the Polymer Corporation Limited during each quarter for the years ending March 31, 1945-March 31, 1946?

3. How many pounds of the different types of rubber were produced in each quarter during the years ending March 31, 1945-March 31, 1946?

Mr. HOWE: Mr. Speaker, this question refers to the manufacturing data on the current operations of Polymer Corporation. The public accounts, recently published, contain the balance sheet of the operations of Polymer up to the end of March, 1945. The difficulty of giving the present-day costs is that the rubber is competitive in foreign markets with that of other manufacturers, and it is prejudicial to the work of the directors on policy matters to have the day-to-day operations made public in a forum such as the House of Commons. If the government intends to be in competitive business I think the same latitude which is permitted to competitive business should be permitted to crown companies; therefore in the public interest I must ask that this question be dropped.

Question dropped.

LOANS TO PROVINCES

Mr. DORION:

1. What was the amount of the loans each year from 1939-1940 to date, by the federal government to each of the provincial governments?

2. What was the interest on these loans?

3. What amount has been reimbursed on these loans?

4. What is the total amount due to date by each of the provinces to the federal government?

Mr. MAYHEW:

1.	Manitoba	Saskatchewan	Alberta	British Columbia
1939-40	$ 2,012,000 00	$10,247,749 82	....	$ 1,546,551 75
1940-41	....	1,757,600 00	...	271,890 96

. (no loans since 1940-41)

2.	Manitoba	Saskatchewan	Alberta	British Columbia
1939-40	713,129 57	1,831,960 12	782,375 94	996,914 58
1940-41	760,834 92	216,633 46	781,318 85	1,039,694 73
1941-42	756,516 40	216,840 55	780,146 12	1,042,331 60
1942-43	752,452 82	214,706 23	779,010 42	1,042,002 72
1943-44	744,936 10	213,963 27	777,892 40	1,038,524 89
1944-45	743,261 63	212,102 85	777,074 86	1,036,058 01
1945-46	742,839 26	209,519 25	776,574 17	1,034,109 38
3.				
1939-40	129,507 28	1,057,068 20	53,698 00	....
1940-41	355,924 36	62,993 77	7,500 00	31,265 90
1941-42	....	175,112 74	46,000 00	....
1942-43	288,674 09	54,826 87	38,500 00	121,255 83
1943-44	153,589 82	46,488 83	26,500 00	89,810 05
1944-45	....	89,838 47	19,500 00	66,181 43
1945-46	15,025 80	84,840 00	18,000 00	97,380 06
4.				
(As of March 31, 1946)....	24,759,924 47	92,841,910 61*	26,219,500 00	34,369,759 99

* Includes $21,722,724.83 outstanding in connection with seed grain loan guarantees.

Note to answers No. 3 and 4.—Interest received by and repayments to the dominion government relate to loans referred to in answer to question No. 1 and to loans in the period 1931-32 to 1938-39 (see House of Commons debates, May 6, 1946, page 1258).

PRISONERS OF WAR FOR SEASONAL LABOUR

Mr. DESMOND:

1. How many prisoners of war are going to be available in camps for seasonal labour?
2. How many prisoners of war will be available in the sugar producing area of Ontario?
3. Can reasonable assurance be given that camp labour will be available?

Mr. MacKINNON:

1. This year it is the intention to place as many prisoners of war on individual farms as possible rather than house them in camps. There will be between 3,600 and 4,000 prisoners available for agriculture for at least the early months of the summer, some will be in camps but the number will depend on how well the plan to place them on individual farms works out.

2. Between 872 and 900 prisoners including those on individual farms are allotted to the Ontario sugar beet area.

3. The period of time for which this labour will be available is dependent on the arrangements which can be made with the British authorities, and upon the latest dates when available shipping space for the return of the prisoners to Europe can be secured. At present no assurance can be given that the prisoners will be available beyond the early part of August.

63260—119½

AIR FORCE—ELEMENTARY OR RESERVE TRAINING—FLYING CLUBS

Mr. DIEFENBAKER:

1. What policy has been established by the Department of National Defence for Air in connection with R.C.A.F. elementary or reserve training?
2. Is such training going to be allocated to the flying clubs in whole or in part?
3. What grants or other assistance will be given to flying clubs?
4. Which flying clubs sponsor and organize elementary flying training school companies?
5. Which of said flying clubs benefited, and to what extent during the period of the war, from contracts from the Department of National Defence for Air in connection with the operation of elementary flying training schools?

Mr. GIBSON (Hamilton West):

1. Elementary training as was known in the British commonwealth air training plan in which civilian flying training school companies trained pilots on light aircraft has been discontinued. It is the intention of the R.C.A.F. to carry out reserve training at some future date.

2. It is intended that certain elementary training will be allocated to flying clubs.

3. The loan of certain equipment and aerodrome facilities together with fees for such training as may be agreed upon.

4. A list of flying clubs which sponsored elementary flying training schools under the B.C.A.T.P. appears below.

5. See list below answering No. 4.

Thunder Bay Flying Club	$19,000 00
Montreal Flying Club	21,554 32
Calgary Flying Club	22,831 11
Saskatoon Flying Club	11,700 00
Prince Albert Flying Club	11,700 00
Windsor Flying Club	21,700 00
Aero Club of B.C.	30,000 00
Hamilton Flying Club	18,750 00
Kitchener-Waterloo Flying Club (Canada)	10,131 15
County of Huron Flying Club	9,733 85
Ottawa Flying Club	22,900 00
Regina Flying Club	20,000 00
Halifax Aero Club	11,596 68
Brandon Virden Flying Club	8,750 00
Moose Jaw Flying Club	8,750 00
Ontario County Flying Club	10,851 00
Kingston Flying Club	3,617 00
Brant-Norfolk Aero Club	3,615 17
Winnipeg Flying Club	19,200 00
Moncton Flying Club	16,250 00
York Flying Club	20,833 34
Edmonton Flying Club	19,165 00

POLYMER CORPORATION—DOW CHEMICAL COMPANY

Mr. MURPHY:

1. Did the Polymer Corporation Limited pay the Dow Chemical Limited for material supplied and services rendered?

2. If so, in what amount?

Mr. McILRAITH:

1. Pursuant to an engineering contract made with that company dated May 1, 1942 Polymer Corporation Limited paid Dow Chemical of Canada Limited for engineering services performed by it in connection with the process design and engineering of the styrene plant at Sarnia and for acting as supervising engineers during the construction of that plant the fees and disbursements payable to the said company under the said contract. Pursuant to its operating agreement with that company, entered into as of May 1, 1942, Polymer Corporation Limited has paid to Dow Chemical of Canada Limited management fees for services rendered by it. Polymer Corporation Limited has also paid to Dow Chemical of Canada Limited certain royalties payable to Dow and/or the following firms: Universal Oil Products Company; Standard Oil Development Company; Jasco, Incorporated; Koppers Company; Koppers United Company; Monsanto Chemical Company; Carbide and Carbon Chemicals Corporation; Phillips Petroleum Company; The Lummus Company; The Dow Chemical Company; pursuant to an agreement on the exchange and use in Canada of technical information relating to styrene, dated October 15, 1942. No payments were made to the said company for materials supplied by it, other than the engineering drawings and specifications referred to above and the fee paid for enginering services includes the said drawings and specifications.

2.

For engineering services	$ 8,250 00
Management fees covering services performed pursuant to operating agreement up to and inclusive of April 30, 1946	353,122 13
Royalties pursuant to the agreement on the exchange and use in Canada of technical information relating to Styrene	64,025 91
	$ 425,398 04

LUMBER PRODUCTION

Mr. FLEMING:

What was the total annual production of lumber in Canada, commencing with the year 1938, in (a) footage; (b) value?

Mr. MacKINNON:

Year	(a) Footage M ft.b.m.	(b) Value (at the mill)
1938	3,768,351	$ 72,633,418
1939	3,976,882	78,331,839
1940	4,629,052	105,991,217
1941	4,941,084	129,287,703
1942	4,935,145	149,854,527
1943	4,363,575	151,899,684
1944	4,512,232	170,451,406
1945	Not yet available.	

ELEMENTARY FLYING TRAINING SCHOOLS—DISPOSITION OF SURPLUSES

Mr. DIEFENBAKER:

1. Have any of the companies which operated elementary flying training schools during the period of the war been requested to turn over to the Department of National Defence for Air, any or all of the surpluses earned under contract?

2. If so, which companies, and how much has each of said companies turned over?

3. What were the reasons and/or justification for such requests?

4. Have all of said companies been treated on the same basis in regard to the disposal of surpluses?

5. If not, what companies have been differently treated, in what respect, and why?

Mr. GIBSON (Hamilton West):

1. Yes.

2.

Malton Flying Training School, Limited (Later De Winton Flying Training School, Limited.	$318,500 83
Thunder Bay Air Training School, Limited	208,594 31
London Elementary Flying Training School, Limited.	38,098 57
Windsor Mills Flying Training School, Limited.	99,309 46
High River Flying Training School, Limited.	429,025 56
Northern Saskatchewan Flying Training School, Limited.	317,094 97
Windsor Flying Training School, Limited.	198,767 44
St. Catharines Flying Training School, Limited.	146 028 84
Hamilton Flying Training, School, Limited.	156,387 12
Quebec Airways (Training) Limited.	212,030 36
Huron County Flying Training School, Limited.	406,165 32
Eastern Ontario Flying School, Limited.	217,616 99
Regina Elementary Flying School, Limited.	505,041 71
Nova Scotia Flying Training School, Limited.	45,656 70
Virden Flying Training School, Limited.	554,223 17
Ontario County Flying Training School, Limited.	318,897 88
City of Quebec Flying Training School, Limited.	132 02
Vancouver Air Training Co. Limited.	282,067 93
Central Manitoba Flying Training School, Limited.	340,683 55
Moncton Flying Training School, Limited.	362,766 67
Edmonton Flying Training School, Limited.	419,048 37
Boundary Bay Flying Training School, Limited.	514,897 51
	$6,091,035 28

3. The contract provides that 80 per cent of the surplus be returned to the crown and the remaining 20 per cent paid to a flying club approved by the minister. By voluntary resolution the operating companies surrendered all profit and/or surplus in excess of $5,000 per annum, such restricted profit and/or surplus to be paid to flying clubs approved by the minister, in the hope that at the termination of the agreement the dominion government would make available aerodrome facilities and equipment for the continuance of the operation of these flying clubs.

4. No.

5. (a) London Elementary Flying Training School, Limited; Quebec City Flying Training School, Limited. The schools operated by these companies were closed down at the time or prior to the renewal contract becoming operative.

(b) St. Catharines Flying Training School, Limited. This school has as yet made no voluntary surrender of its profit and/or surplus in excess of $5,000 per annum.

(c) Quebec Airways (Training) Limited, Cap de la Madeleine, P.Q., owned by Canadian Pacific Air Lines, Limited. This school surrendered all profit and/or surplus.

POLYMER CORPORATION—ST. CLAIR PROCESSING CORPORATION

Mr. MURPHY:

1. Did the Polymer Corporation Limited pay the St. Clair Processing Company Limited for material supplied and services rendered?

2. If so, in what amount?

Mr. McILRAITH:

1. Yes. Pursuant to its operating agreement with that company Polymer Corporation Limited paid St. Clair Processing Corporation Limited management fees for services rendered. No payments were made to the said company for materials supplied by it, since no materials were supplied to Polymer Corporation by that company.

2. For services rendered between October 1, 1942 and March 31, 1946, Polymer Corporation Limited paid to St. Clair Corporation Limited $758,992.30.

PUBLIC DEBT

Mr. POULIOT:

1. What was the total debt of Canada (a) on September 1, 1939, and (b) on April 30, 1946?

2. What was the total revenue of the dominion government (and also of all its agencies) from September 1, 1939, to April 30, 1946?

3. During that period what was the total expenditure in virtue of (a) main and supplementary estimates; (b) war appropriations; (c) what was also the total expenditure by all government agencies and not provided for by the abovementioned estimates and appropriations?

Mr. MAYHEW:

1. Gross liabilities of the Dominion of Canada on August 31, 1939, totalled $3,767,-114,590. The figure for total debt or gross liabilities at April 30, 1946, is not yet available but for March 31, 1945, it was $15,712,181,527.

2. Total revenue of the dominion from September 1, 1939, to February 28, 1946, was $12,681,719,279. (Later figures are not yet available).

3. Non-war expenditures (under main and supplementary estimates including statutory items) from September 1, 1939, to February 28, 1946, totalled $4,702,870,331. War expenditures in the same period totalled $17,366,355,982.

Note.—Net revenues of government agencies which accrue and are paid to the government are included in the government's revenue. Net expenditures of government agencies are included in the government's expenditures either under government-owned enterprises or war expenditure. In the case of the Canadian Broadcasting Corporation, however, the corporation has the right to retain for the purposes of its act all moneys received by it rising out of its business and consequently its net revenues or net expenditures are not included in the government accounts.

To include gross revenues and expenditures of government agencies would involve duplication in many cases, e.g., expenditures of Commodity Prices Stabilization Corporation are included in the government's war expenditures.

AIDS TO NAVIGATION—REMOVAL OF RIPPLE ROCK

Mr. BLACK (Yukon):

1. What have attempts to remove the menace to navigation on the Pacific coast of Canada known as Ripple rock cost Canada to date?

2. Is the government considering the use of atomic energy in its attempt to remove said Ripple rock?

Mr. FOURNIER (Hull):

1. $831,793.78.

2. The development of the application of atomic energy is still in the hands of research scientists, and its practical uses, particularly under water, are still unknown.

REPARATIONS

Mr. THATCHER:

1. Has the Dominion of Canada, to date, received reparation payments of any kind from Germany, Italy or Japan?

2. If so, of what nature and value?

Mr. ST. LAURENT:

1. No.

2. Answered by No. 1.

ADVERTISEMENTS SPONSORED BY DEPARTMENT OF TRADE AND COMMERCE

Mr. LOW:

1. What has been the total cost to date of the series of advertisements in Canadian newspapers, sponsored by the Department of Trade and Commerce on the subject: "Thirty-five cents out of every dollar you get comes from Canada's trade abroad"?

2. What has been the purpose of the advertisement?

[Mr. Mayhew.]

Mr. MacKINNON:

1. Fiscal year 1945-46, $9,288.05; fiscal year 1946-47, $12,796.86.

2. The current advertisements sponsored by the Department of Trade and Commerce are of two kinds: (a) addressed through newspapers and magazines to the public on the general theme "One Third of Your Dollar"—the proportion of our national income conservatively estimated as earned, directly or indirectly, by export trade. These advertisements are designed to bring home to Canadians generally, in addition to producers and exporters, the importance of foreign trade to their daily lives. The advertisements further point out that in order to build up our export trade now it would be wise to do without some things in the domestic market in order that at least token shipments may be sent to markets abroad, thus enabling connections to be established that will be needed in the future; (b) addressed through business publications to actual and potential exporters on the general theme "C.Q.P."—meaning continuity of supply, quality that is consistent, prices that are fair. Good export practices are the long-term means of promoting our trade, and the advertisements are designed with that purpose in mind.

In general, therefore, the Department of Trade and Commerce is trying through its advertisements to prepare the ground at home for the maintenance of the level of export and import trade which is believed to be essential to Canada's prosperity.

BARBED WIRE—SHORTAGE FOR FENCING PURPOSES

Mr. HOWE: On May 21 the hon. member for Cariboo (Mr. Irvine) asked this question:

Have the government any information as to the great shortage of barbed wire for fencing and, if so, what are they doing about it?

The average monthly production in Canada of barbed wire is approximately 1,000 tons. None of this is exported at the present time. This barbed wire is distributed by the producers to the consumers through the regular trade channels namely the jobbers, distributors and hardware firms. The producers are doing their utmost to maintain equitable distribution of the available supply. To divert increased tonnages of wire for this product would merely result in taking the steel away from some other product which is equally urgent and in equally short supply. For example, it could very possibly affect the production of nails, another wire mill product. The short supply of barbed wire is merely one part of our overall acute steel supply position. The condition here is no more acute than the supply position of plate, structural, sheet bars, rods and all wire mill products.

We can expect no relief until such time as conditions in the United States return to something approaching normal.

*RADIO BROADCASTING—"JOHNNY HOME SHOW"

Mr. McCANN: Mr. Speaker, a question was asked on May 15 by the hon. member for Peterborough West (Mr. Fraser) having to do with the cost of certain shows put on by the Canadian Broadcasting Corporation. I should like to answer that question more fully, verbally.

In reference to the "Johnny Home Show", as indicated in the answer to this question there is no extra cost to the C.B.C. for lines, facilities, station time and producer cost, but if sold to a sponsor, production, lines and C.B.C. station time for this programme would cost $871.32 per week. With reference to the show "The People Ask", the C.B.C. station time for this programme, if sold to a sponsor, would cost $280.80 a week. Is that answer satisfactory?

Mr. FRASER: I want to thank the minister for the answer.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HOUSING—VETERANS—BOWMANVILLE AREA

Mr. STEPHENSON:

1. What is the name of the company constructing veterans homes on No. 2 highway about two miles east of Bowmanville?
2. If incorporated, what are the names of the directors and officers of the company?
3. If a partnership, who are the partners?
4. On what basis was this contract let?
5. How many houses are being built at this location?
6. When will they be completed?
7. What will the sale price be and have any been sold yet?

HOUSING—VETERANS—PORT HOPE AREA

Mr. STEPHENSON:

1. What is the name of the company constructing veterans homes on land near Port Hope on highway No 2 under the Veterans Land Act?
2. If incorporated, what are the names of the directors and officers of the company?
3. If a partnership, who are the partners?
4. On what basis was this contract let?
5. How many houses are being built at this location?
6. When will they be completed?
7. What will the sale price be and have any been sold yet?

VETERANS LAND ACT—ELGIN COUNTY

Mr. COYLE:

1. How many farms under the Veterans Land Act are now awaiting inspection in Elgin county?
2. How many farms have been purchased in Elgin county since the Veterans' Land Act came into force?
3. What was the acreage in each farm?
4. What was the price paid for each farm?

HOUSING—SMALL HOLDINGS

Mr. STEPHENSON:

1. How many houses have been built in Canada under the D.V.A. on land known as small holdings?
2. What is the sale price of these houses to veterans and on what terms?
3. How many houses have now been sold to and are now occupied by veterans?
4. What is the government's plan for continuation of such building for veterans homes?

INSURANCE COMPANIES—FILING OF BUSINESS STATEMENTS

Mr. MARSHALL:

1. Were any insurance companies penalized during the last fiscal year for failure to file their business statements under the terms of the Department of Insurance Act in the required time?
2. If so, what companies?
3. Were any of these companies granted rebates?
4. If so, which companies; in what amounts, and for what reasons?
5. Were any companies, late in filing such returns, not penalized? If so, which companies?

REPATRIATION OF JAPANESE NATIONALS

Mr. REID:

1. What is the number of Japanese nationals for which arrangements have been made for repatriation to Japan?
2. Of these, how many were born in Canada and how many were born in Japan?
3. Have arrangements been made to transfer to their account in Japan, cash or other assets?
4. If so, what is the total amount of cash assets from Canada which will be available to them on arrival in Japan?
5. Are any gifts or sums of money being given by the Canadian government to the Japanese being repatriated?
6. If so, are these sums of money in addition to any cash assets belonging to those being repatriated?
7. What will be the cost or charges for each Japanese national repatriated, giving the cost of, (a) transportation, both rail and steamship; (b) any gifts or sums of money?
8. What will the total costs be for the numbers for which repatriation arrangements have been made?
9. Is General MacArthur in charge of affairs in Japan? If so, has he been consulted in the matter?
10. Has he given his approval to the entry and establishment in Japan of the Japanese nationals in Canada who requested repatriation?

BLACK MARKETS

REQUEST FOR STATEMENT ON SITUATION IN MONTREAL

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): May I direct a question to the Minister of Justice? It was intended that notice of the question should be sent this morning, but I regret that it did not go until after lunch. In view of the serious allegations regarding the implication of bank employees and distilling channels in the extensive black marketing of sugar and butter reported to-day from Montreal, will the minister make a report to this house regarding the matter?

Right Hon. L. S. ST. LAURENT (Minister of Justice): I received notice of this question just before coming into the house. I shall be glad to take it as a notice and obtain a report from the R.C.M.P., and then consider whether their report can be made public without hampering the proceedings being instituted for the repression of this black market. If that is possible I shall be glad to communicate it to the house.

Mr. COLDWELL: That is satisfactory.

WHEAT

INQUIRY AS TO DISCUSSIONS IN LONDON

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Trade and Commerce in connection with a press dispatch from London regarding a meeting between the president of Canadian Cooperative Wheat Producers and the British food and agriculture ministers respecting a long term agreement covering wheat. The question is: Has the government given instructions to its representatives there that the minimum price in respect of wheat under a long-term agreement shall be $1.55?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I am not sure whether the hon. member for Lake Centre is referring to a statement by Mr. Wesson which has appeared in the press—

Mr. DIEFENBAKER: That is it.

Mr. MacKINNON: If so, I am quite sure Mr. Wesson would be the first to deny that he was in any way speaking on behalf of the government or the Canadian wheat board. I might add that negotiations between the United Kingdom and the government or the wheat board are proceeding with regard to the sale of Canadian wheat. We hope to have a conference here in Canada very shortly between officials of the United Kingdom and our own officials.

LABOUR CONDITIONS

REQUEST FOR STATEMENT ON STRIKES OF LUMBERMEN AND SEAMEN

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I had intended to direct a question to the Minister of Labour, but I notice he is not in the house. In view of the statement made a moment ago by the Acting Prime Minister, I would suggest that when the Minister of Labour returns to the house he might make a statement on the strike in the lumber industry and the strike of the Canadian seamen's union.

Right Hon. J. L. ILSLEY (Acting Prime Minister): I shall bring the request of the hon. gentleman to the attention of the minister.

RESEARCH COUNCIL

APPOINTMENT OF VICE-PRESIDENTS AND EXECUTIVE COMMITTEE, ETC.

Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Research Council Act to provide for the continuance of the committee of the privy council on industrial and scientific research; for the appointment of two vice-presidents to the research council, their tenure of office and salaries; for the appointment of an executvie committee of the council; for the creation of corporations to carry out certain powers of the council which may be more conveniently performed by a separate corporation, and also to provide for the organization, administration and financing of such corporations; and to provide further for the superannuation, pension and other rights of the employees of the said corporations.

Mr. GREEN: May I ask the minister whether it is his intention to make a statement with regard to this resolution?

Mr. HOWE: Yes, Mr. Speaker. The present Research Council Act was passed in 1924, and has not been amended since. On the other hand, as everyone knows, the research council has expanded greatly since that date in order to meet the needs of Canada in this technological age, and the present amendments are being proposed in order to bring the formal organizational structure of the council into harmony with its present day activities.

Before discussing details of the proposed amendments, I would like to indicate in very broad terms the great changes that have taken place in the scope of the council's work since 1928. In that year a full-time president, Dr. Troy, was appointed, and a decision was taken to provide a research laboratory building. Previously the activities of the council had been confined to awarding scholarships, making financial grants in aid of research to university and other workers, and organizing cooperative research projects. The council's budget in 1928-29 was $323,366.56. In 1932 the main research building on Sussex street was formally opened. For the fiscal year 1932-33 the council's budget was approximately $450,000, and the professional staff numbered 57. For the fiscal year before the war, that is 1938-39, the council's budget increased to approximately $1,000,000, and there was a total staff of a little less than 300.

During the war, as we all know, the council's activities expanded greatly in magnitude and diversity, and during the last year of the war the council was supporting directly a total staff of 1,600, and indirectly another 400. The total direct expenditures amounted to nearly $7 million, or seven times the 1938-39 figure. And, in addition, the president and other administrative officers of the council carried scientific responsibilities for operations such as the atomic energy project, and many other secret operations supported financially by the Department of Munitions and Supply and the Department of National Defence, which ran into many millions of dollars. All this expansion took place without any permanent change or additions in the permanent administrative staff.

The government has decided that the peacetime needs for scientific research in Canada require that the activities of the research council be maintained on the same order of magnitude as in war, and in the estimates for the current fiscal year the needs of the council are placed at about $6,378,000, which is apart from the very sizable expenditures on atomic energy activties which are directed by the president and administrative officers of the council.

Compared with the staff of 300 in 1939, the full-time civilian staff will number about 1,500. In addition to the one large laboratory building of 1939, the council is now operating sixteen other laboratories in Ottawa, in Montreal, in Chalk River, in Winnipeg, in Saskatoon, and plans have already been drawn for several others, including a building research laboratory, a road research laboratory, and a new radio and radar laboratory.

In addition to the laboratories, the president is responsible for the administration of about 50 associate research committees and 100 subcommittees, on which sit literally hundreds of the country's most distinguished scientists, engineers, and industrialists, and who in turn consider and lay down policy in connection with broad research projects such as aeronautics, Canadian government purchasing standards, medical research, explosives, geophysics, dental research, radio research and a number of others.

The council also operates scientific liaison offices in London, Washington and Ottawa, maintains a large scientific library, publishes the Canadian Journal of Research and many other reports. It has an active programme of awarding scholarships and making grants in aid of research—all of which have increased during the past few years in the same proportion as the other activities.

The president of the council acts as adviser to the government on an increasing number of scientific subjects, sits on a large number of boards and committees of a general character, has assumed the responsibilities of director-general of the research and development branch of the Department of Reconstruction and Supply, is proposed as a member of the atomic energy board to be set up, and also acts as a special adviser and consultant in connection with military research—all of which, it will be seen, represents a greatly increased administrative burden as compared to the organizations of 1932 and 1939. While the war was on, the administration of the council received help and advice from senior officials seconded from universities and from senior officers in the Department of Reconstruction and Supply, but now that such help will no longer be available, it is obvious that there is need formally to strengthen the top administrative set-up of the council by providing for two senior officials: a vice-president (administration), and a vice-president (scientific); and there is also need for other provisions which will be found in the proposed amendments.

The remainder of what I have to say deals with individual sections of the bill. Perhaps that might best be said after the bill has been introduced.

Mr. GREEN: Could the minister not give us that further information at this time?

Mr. HOWE: I shall be glad to; but whether it would be intelligibe or not, without having the bill before us, I cannot say. I might explain, however, that the amendments to section 4 provide for the appointment of the two vice-presidents and for an increase in the size of the honorary council in order that the vice-presidents may sit on the council and

also that the various scientific interests at present covered by the scope of council activities may be represented. Provision is also made for an executive committee with the normal functions.

Mr. SPEAKER: Order. I am sorry to interrupt the minister, but he is out of order. The house cannot discuss the details of the bill following the resolution, when that bill is not actually before the house.

Mr. GREEN: Perhaps I am at fault.

Mr. HOWE: That was my impression.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, the house has before it this afternoon two of the most important resolutions we have ever considered, namely resolutions numbers 13 and 14 on the order paper. Of the two, probably the former is the more important.

Speaking briefly to this resolution, number 14, may I point out that we welcome the proposals contained in it, and look forward to the introduction of the bill. We have long been of the opinion that an expansion of our scientific activities is essential at this time. As a matter of fact, what I fear is that people in public life—political leaders, and in some degree men in charge of our defence forces—are failing to exercise, in the matter of scientific progress, that degree of imagination the scientists themselves are exercising.

I hope this resolution means that Canada will expand her scientific research in a big way, and that the scientific branch in the national research council will be comprised of our outstanding young men in science. I was amazed when I learned the ages of many of the young scientists who had been engaged in the important work to which the Minister of Reconstruction has referred. We know something of the contribution they made in the discovery and development of RDX; we know of the work they did in radar, and of the work they are doing in connection with nuclear physics.

We wholeheartedly support the idea behind the resolution, and behind the other resolution about which I shall speak at a later time. I would hope, however, that the scale of salaries we shall institute will be sufficiently attractive to secure able scientists for the public service of Canada. We have lost too many young scientists in the past to our great neighbour to the south, and in various fields they have found employment across the seas. Some of the physicists, doctors and scientists who have made names for themselves in Great Britain were graduates of Canadian universities. I sincerely hope the scale of salaries, the superannuation benefits and the conditions of service will be such as to attract the best of our young Canadians.

I hope that ways and means will be found also to encourage our young Canadian scientists to exchange their scientific knowledge with scientists in other countries. We cannot allow matters of defence to be betrayed when the government desires to retain them or to let them out only on a reciprocal basis, but I think there is a danger at the present time of scientific researchers being so constricted or restricted that the exchange of scientific knowledge among the nations may be interfered with to our disadvantage and to the disadvantage of the world generally.

All I intended to say at this stage is that we welcome this resolution. We believe it is a step in the right direction. It shows some forward-looking thinking on the part of the minister and his advisers, and I sincerely hope that the scientific research branch of Canada will contribute to the scientific knowledge of the world and to the development of our own great resources, primarily for the good of Canada and, of course, of the world generally.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I do not think any of us will disagree with the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell) as to the desirability of the government being forward looking in the matter of scientific research, and indeed as to virtually everything else he has said. I want to make it very clear that that is my view. There is one question I should like to raise with regard to this resolution, because it seems to me it may be carrying us in a direction in which we ought to go somewhat cautiously. Among other things the resolution provides.

—the creation of corporations to carry out certain powers of the board which may be more conveniently performed by separate corporations—

I am not suggesting that that may not prove to be a perfectly proper step to take, but when the bill comes down we on this side may have considerable to say on a point we have spoken about so often, namely, whether this is again taking matters away from parliament and leaving them to be dealt with entirely by a corporation which, although theoretically subject to this house, gets pretty far away from it and can only be reached in some indirect and far-off manner.

Perhaps when we see the bill the point which I have in mind may seem to be not very practical, but at the moment it seems to me to be very practical indeed. It seems to me that it might be wise for this house to take the position that it will retain a good deal of control

over what is to be done. However enthusiastic one may properly be about scientific research and about what scientists do, the fact remains that when the theories of scientists, however practical, come to be put into effect their enthusiasm sometimes has to be controlled and directed by those who are not scientists but who are men of a certain amount of experience and common sense.

Mr. HAZEN: The minister told us that the estimates for this year called for an expenditure of $6,378,000 for the research council, apart from atomic energy activities. Is the minister in position tell us what the estimates are this year for atomic energy activities?

Mr. HOWE: Mr. Speaker is in the chair and I do not think it is appropriate to ask questions at the moment.

Mr. SPEAKER: I draw the attention of hon. members to the fact that the house is not in committee and they are not supposed to question the minister. When the house goes into committee they will have an opportunity to ask any question relevant to the resolution.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, with respect to the general question of the encouragement of research I do not think there will be any one in this house who will oppose that objective. It is the view of many of us that Canada, relatively speaking, has been behind in research matters, and to the extent that this measure provides for the encouragement of research, this party will be enthusiastically behind it.

In the resolution several specific matters are mentioned. Your Honour made a ruling a moment ago which was technically quite proper, that the details of the bill cannot be discussed before we have the bill. However, with all respect, sir, there are a great many matters in this resolution which can be discussed and which this party will expect will be discussed in committee. They might very well have been discussed here, but they can be discussed in committee. Let me point out some of them.

This resolution is to amend the Research Council Act and provide for the continuance of the committee of the privy council on industrial and scientific research. It provides also for the appointment of two vice presidents to the research council. The very item the minister was discussing is mentioned in the resolution. I rose merely to say that I hope nothing in the bill will prevent the minister when we are in committee of the whole from outlining fully the position of the government and the purpose of the proposed bill with respect to the various items mentioned in the resolution now before us.

Mr. PHILEAS A. COTE (Matapédia-Matane) (Translation): Mr. Speaker, I wish to join those who have already complimented the hon. the Minister of Reconstruction (Mr. Howe) on the two resolutions which he is submitting for our consideration to-day, and which, to my mind, will contribute perhaps more than anything else not only to the development of science but also to the creation of a truly Canadian spirit, with equal opportunities for all Canadians.

Indeed, if there is a sphere where all can be in agreement, it is certainly the field of science. Unfortunately, in the past, a great many of our scientists, irrespective of their creed or nationality, have been compelled to take up residence in the United States because we did nothing to keep them here: Incidentally, may I recall, Mr. Speaker, among others, the case of your brother, one of our foremost scientists, who has certainly been a pioneer in research work on diseases of the heart at McGill University, and who himself has had to leave for the United States in order to continue his studies. I could mention many other such cases.

I hope that concurrence in these resolutions will permit us to retain in Canada all those who wish to devote their lives to science in order to ensure better protection for future generations.

I also hope that when the time comes to appoint the vice-presidents in the Research Council and the members of the executive committee of that Council, the honourable the minister will have some thought for my two French-language universities of Quebec and Montreal, have already done so much for science and who could have accomplished still more if better opportunities of doing so had French-speaking fellow-citizens who, in the been given to them.

(Text):

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, it gives me great satisfaction to see this resolution introduced. In Canada we are faced with two great problems. First, we must learn how to adjust ourselves to the atomic age. When the atomic bomb was first used I was afraid that the calamity howlers were going to terrify us into a state of paralysis so that we would not do anything about this atomic bomb but lie down and yield our national sovereignty to some international body or do all the other foolish things that were being suggested. This resolution

indicates a determination to go right out and meet the situation; after all that is the only sensible thing to do.

I heard a story the other day about three or four soldiers who some thousands of years ago were supervising the first attack with a catapult on a walled city. When they were all ready to shoot the first great stone with the catapault, one of the soldiers said to his companions, "Well, this will end war all right!" But we are still finding new methods of warfare, and we still must learn new methods of meeting new weapons. I take it that this organization will direct its efforts first of all towards defending ourselves against an atomic bomb attack, and next towards the means of launching an atomic bomb attack in case we need to do so.

The other extremely important problem is one which I have not yet heard mentioned as one of the problems that would be given to a research council; considering its seriousness I am amazed that we have not long ago turned it over to a national research body. I refer to the problem of distributing goods. We fought the last war because men did not know how to distribute goods, and the indications are that we shall have to fight the next war because men still do not know how to distribute goods. Men do not seem to realize that distribution is a scientific problem which has to be solved by scientific means. I hope that at an early day the minister will turn over to a considerable body of scientific men the task of ascertaining how to distribute in Canada the maximum amount of goods which Canada is able to produce, so that the people of Canada will be able to enjoy the maximum standard of living which would be justified by our productive capacity. The minister should say to them: We are not telling you where to go to look for the solution, but we want you to solve the problem and to find a solution soon; then we want you to find out how to distribute any surplus which we cannot trade away to other nations of the world.

Mr. SPEAKER: Order. We are discussing the principle of the resolution which is before the house, which is:

That it is expedient to bring in a measure to amend the Research Council Act . . .

I doubt whether the subject now being discussed by the hon. gentleman is covered by the resolution, I suggest to him that he wait until the bill is before the house, when he will be able to see whether the matter he is anxious to discuss is covered by the bill. On the resolution I think the hon. gentleman is out of order.

[Mr. Blackmore.]

Mr. BLACKMORE: Mr. Speaker, I think I have completely covered what was in my mind. If this resolution does not envisage solving the problem of distribution, it is high time the minister took it back to his office and so drafted it that it would attain that end.

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

Mr. GREEN: Mr. Chairman, this is not the stage of the measure at which any statements of policy should be made. As the leader of the opposition has suggested, we are very much interested in the promotion of scientific research in Canada, and at this particular stage, when the resolution is in committee we want to get a good deal more information from the minister with regard to the resolution and the proposals of the government. I should like to bring to his attention four or five points on which we wish to have information.

What is the policy of the government with regard to having research carried on in different parts of Canada, and how far does the government propose to go in dividing the work up to make certain that problems which affect perhaps only one or two parts of Canada are not overlooked because of too much centralization? The minister did say a few minutes ago that there were several branch research laboratories, but we should like to have further information on the plans of the government for spreading out research work across the whole dominion.

The second point has to do with the power which is to be given to the research council to set up corporations. They have not that power at the present time, but the resolution reads:

. . . to provide for the creation of corporations to carry out certain powers of the council which may be more conveniently performed by a separate corporation, and also to provide for the organization, administration and financing of such corporations.

Is the power to set up these corporations to rest with the research council, or with the government? A good deal of concern is felt about the present trend of the government in setting up crown companies. It is a new policy, one which was adopted during the war, as the minister said a few days ago, but it looks as though he had now acquired the habit of doing business through crown corporations. We should like to know just how the crown corporations are to be fitted into the framework of the research council. That brings up the question of the extent of the control the minister is to have over these

crown corporations; and, more important still, what control parliament is to have over them. The danger in setting up these corporations has been that they are so far away from parliament that they might as well be in another world so far as effective control by the elected representatives of the people is concerned. They are right outside the control of the Canadian people.

Another point has to do with the type of employee. Under the present Research Council Act employees can be appointed by the governor in council—the minister will correct me if I am wrong—and I presume that that power is to be continued; in other words, this greatly enlarged staff of the research council will not be subject to the Civil Service Act or the civil service commission. Will that principle apply also to employees of the corporations set up under the research council? Are they to constitute what might be called a super-civil service? We are getting a long way from the intention of parliaments in the past, which was that the civil service should be under the Civil Service Act. What is the plan with regard to the employees of the research council and of the new corporations?

Finally will the minister explain why it is necessary to provide for the continuance of the committee of the privy council on industrial and scientific research. That seems to be amply covered in the act as it stands at the present time. Who are the members of the privy council on this committee, and what are the plans with regard to the setting up of an executive committee of the research council? The minister said nothing about that in his opening statement, and I think he should give us an explanation of the type of executive committee which it is proposed to set up under the amendments that are to be made.

These are some of the questions which we should like to have answered. Others will come up as the discussion proceeds, but I should be grateful if at the moment the minister would give us a reply to these questions.

Mr. HOWE: I shall be glad to give what information I have on the subjects mentioned. In the matter of conducting research outside headquarters at Ottawa, the war has already furnished developments of that kind and has proven the desirability of not concentrating all operations of the council in one locality. As my hon. friend knows, a branch of the research council is being established in the prairies and will be charged particularly with finding a solution for problems which affect the prairie provinces and which are not common to other parts of Canada. Consideration is also being given to research facilities in British Columbia. Plans are being considered for facilities on quite a substantial scale which will operate in conjunction with the university of British Columbia. Similarly, consideration is being given to the development of research facilities in the maritime provinces.

Research facilities are at present integrated with the facilities of the provinces. Close integration has been established for the purpose of preventing overlapping in the work of the two organizations, and this is now being extended into the field of private research, the object being to coordinate public research and private research to eliminate any overlap.

In the matter of crown corporations, the purpose is to separate certain operations of the council, which are themselves attaining very sizable proportions. For example, the council controls a considerable number of patents. The number was greatly increased during the war. These have a commercial value which should be exploited. It is simply a corporation to hold patents and exploit them for the crown. In the United States a corporation functions for a similar purpose in conjunction with national research facilities there. I see none of the dangers mentioned by my hon. friends in a corporation of the kind, which simply paves the way for keeping the books on the operations and bringing a balance sheet before parliament.

Mr. GREEN: Are they to be operating companies?

Mr. HOWE: That would be an operating company; it would own patents and either sell or lease them for public exploitation.

Mr. GREEN: Will it do any manufacturing?

Mr. HOWE: No. It is simply a merchandising company, merchandising patents owned by the national research council. It would also follow up experiments being conducted and would have experts determine whether discoveries of the council are patentable, make sure that they are patented and brought into commercial use in order that the crown may recover some of the expenses involved in the creation of the asset.

I cannot agree with the argument that the creation of a corporation removes the operation from the eye of parliament. It seems to me it brings it under the eye of parliament in a manner which permits it to be constructively criticized. I wonder how many hon. members could give me any idea of what the balance sheet on the operations of the canals of Canada represents? The canals represent an investment of over $100,000,000, and there are certainly operating revenues.

Mr. MacNICOL: Six hundred million.

Mr. HOWE: Yes, six hundred million; my hon. friend is right. Operating revenues and operating expenses are involved. I was curious to know how the balance sheet stood in that regard, and it took me several hours to dig out the results from various parts of the public accounts. It can be done; nevertheless, if operations can be put before the country in balance-sheet form, the tendency will be to reduce expenses and to make some effort to increase revenues.

I like to place the people responsible for operations of that kind in the position where they must face a balance sheet, where they must be conscious of a balance sheet at all stages of operations, and must face the prospect of the balance sheet being discussed in parliament and questions being asked as to why expenditures exceed revenues, if that is the case.

Mr. MACDONNELL (Muskoka-Ontario): You had better do that for us in the public accounts.

Mr. HOWE: I should be glad to have someone else answer for public accounts. I like to be able to know from month to month how any balance sheet stands, and with corporation accounting that is easily possible.

I think the fact that during the war commercial operations were conducted by corporations has added greatly to the efficiency of those operations. It has allowed us to check the pricing of the commodities. It has allowed us to watch the operations more closely than would have been the case under another form of accounting. My endeavour throughout has been to bring government transactions into corporate form, for reasons which I believe are good for operation and good for the conduct of those responsible for carrying out those operations.

Under this bill two corporations are proposed. One is definitely required at the moment, and that is a corporation to own and commercialize patents owned by the national research council. As regards the second, it has not been definitely decided, but I am of the opinion that Chalk River should be operated as a corporation.

Mr. GREEN: Will these corporations be organized under the Research Council Act?

Mr. HOWE: No, under part I of the Companies Act. Consideration is also being given to placing the operations of Eldorado under the national research council. Eldorado deals in uranium and radium, the sale and distribution of which must be controlled by a corporation in which the national research council will have the paramount interest, and the provisions of this act will permit the placing of the crown company known as Eldorado Mining and Refining (1944) Limited under the direction of the research council.

Mr. SMITH (Calgary West): They will own the whole interest?

Mr. HOWE: That is correct.

Mr. SMITH (Calgary West): The minister said the controlling interest.

Mr. HOWE: I meant the whole interest.

Mr. GREEN: They were supposed to under the other bill, the resolution preceding which was discussed the other day.

Mr. HOWE: At the moment the other bill simply provides for these companies to be in existence. There would be nothing in that act, when passed, that would prevent moving any of these companies under the direction of the research council. But provision is now being made that the research council can exercise jurisdiction in case the government wished to transfer jurisdiction of the crown companies to the national research council.

Mr. COLDWELL: I understand that $6 million is being appropriated to carry out the purposes of this particular measure. Is that right?

Mr. HOWE: The current appropriations of the national research council are those which are given in items 345, 346 and 347, which total $2,087,852, also item 612, which totals $4,291,000. These are the items I mentioned which total something over $6 million.

Mr. COLDWELL: If this resolution is as comprehensive as it appears to be, that would seem an inadequate sum to carry out what is intended. The minister said that there were fifteen hundred employees in the council at the present time. If the average salary paid is $2,000 it would account for $3 million. An additional $3 millions for the expansion seems to be a very small amount. An average salary of $2,000 is ridiculously low. It struck me that if this is what it appears to be, an expansion of our scientific research, the appropriations in the estimates to which the minister has referred do not carry out the intention of the resolution.

I had hoped this meant that we would embark upon the kind of scientific research that many of us contemplate. Many hon. members of the house hoped that there would be a wide expansion of scientific research.

While I am on my feet may I say I believe the minister is right in his defence of the principle of setting up crown corporations. I thoroughly agree that to bring these activities

into the estimates in the form in which we usually get them in the various departments would give us no picture of what was being done; yet we have to safeguard the employees of this organization from political interference. We can easily devise ways and means of doing that in these corporations if the men at the top are interested in getting and hiring the best men they can. It seems to me that we cannot have day to day interference on the part of parliament with operations of this description. The alternative appears to be crown corporations. Probably public activities in the future will be along that line; I believe they should be. The point I had in mind is that I am rather disturbed at the small amount of money estimated to carry out this important scientific project. Perhaps the minister has in view introducing some further amounts in the supplementary estimates—I do not know.

Mr. HOWE: I would remind my hon. friend that the national research council has substantial revenue in addition to the appropriation by parliament. For example it undertakes projects initiated on behalf of others, the cost of which is paid by others.

Mr. COLDWELL: Could the minister give us an idea of the revenue?

Mr. HOWE: I am sorry; when I suggested that, I was afraid my hon. friend would ask me that question. But I shall have the information when we discuss the bill.

Mr. COLDWELL: I do not think it would compensate for the amount—

Mr. HOWE: It is a substantial amount.

Mr. LOW: Is that revenue not taken into the consolidated revenue fund, and does it not have to be revoted?

Mr. HOWE: No. The present Research Council Act permits special allocations of that type to be used for the purpose for which it was intended. However, I shall obtain the information. I would also point out that that appropriation does not include anything for atomic energy research for the Chalk River project. The amount for that is included in items 605 and 609. But compared with the total appropriation of around one million in 1939 we are not doing badly.

Mr. GREEN: There are two or three questions the minister did not answer.

Mr. HOWE: Yes. I intend to deal with them. With reference to the appointments not being subject to the Civil Service Act, I believe that that is vital to the service. The type of service in research is not the type of service in the public departments generally. There should be a considerable turnover of research men. In other words, people should move from universities into the government service, and after they have made their contribution there they should move back to the universities. In government there should be a good deal of moving from one department of research to another department, from one type of research to another. There should be moving from public research into private research, and from private research into public research.

Mr. JACKMAN: How about your leader?

Mr. HOWE: He is not in the scientific service. I believe any scientists would hold the view that I am taking now, that there should be a fluid system of employment in scientific research. Therefore the retirement fund for the national research council should be different from the civil service retirement fund in general. It should be possible for men to be able to leave the service and take their retirement fund with them. Special study is being given to that phase of the retirement fund for the national research council. There are many reasons why it is not desirable that employees of national research council be placed under the Civil Service Act.

Mr. GREEN: Do the same reasons apply in respect of the employees of these crown corporations?

Mr. HOWE: That may or may not be so. The Civil Service Act does apply to certain employees of corporations. They can be drawn from the permanent civil service and retain their status in the service, or they can be employed outside the service. It would depend on the kind of work as to whether or not it would be desirable to place employees of crown companies under the civil service.

Mr. GREEN: What is the intention with regard to the crown companies mentioned?

Mr. HOWE: The Research Council Act will apply. It provides that the employees shall be employed by order in council.

A question was asked about the committee of the privy council on industrial and scientific research. The present act makes provision for the committee, but it does not prescribe any duties for the committee, and the committee has not—

An hon. MEMBER: They do not do very much, anyway.

Mr. HOWE: No, very little, as a matter of fact. The committee has no authority or legal standing other than by being mentioned in the

Research Council Act. The purpose of the amendment in this case is to give the committee certain duties and responsibilities.

Mr. GREEN: Who are the members of the committee?

Mr. HOWE: I have the honour to be chairman of the committee, and among the other members are the Minister of Agriculture, the Minister of Mines and Resources, the Minister of Trade and Commerce, and several others whose faces are familiar to me in other capacities.

Mr. GREEN: How often does the committee meet?

Mr. HOWE: It meets to consider the annual report. The Minister of National Defence is also a member. When the duties and responsibilities are more clearly defined we hope the committee will meet much more frequently.

Mr. GREEN: What about the executive committee?

Mr. HOWE: The membership of the national research council is large. In effect that council owns the corporation and directs its activities. Its membership is made up of busy men, and it is very difficult to bring together. The purpose of the executive committee is to carry on certain duties at present being dealt with by the full council.

Mr. MacNICOL: The minister said something about patents, and if I understood him correctly I gather it may be intended to have the national research council set up corporations to carry on manufacturing. I am glad to see the minister shake his head, indicating that it is not the intention under this bill for the national research council or the government to go into the manufacturing of anything that may be developed and patented. I always thought the research council did good work, that the country owed a great deal to what has been developed there, and in the past I was under the impression that when anything worth while was developed the patent was put up for sale and purchased by some company which would carry on the manufacture. Is that the way it is to be done?

Mr. HOWE: Yes.

Mr. MacNICOL: I am glad to hear that. In the course of his remarks the minister said something about roads and also medical research. In what way is the council to cooperate with the provinces? At present all roads, with the exception of those in the far northwest, are under the control of the provinces, though perhaps in connection with the trans-Canada highway, which is now almost completed, the government may have something to say. What would any research council in Ottawa have to do with roads? Ontario carries on its own research work in connection with road materials for the construction of provincial highways; would we not be interfering with provincial jurisdiction in that regard? I also understand that everything pertaining to medicine comes directly under the provinces. I have never heard of any federal medical college giving doctors licences to practise, so it seems to me that this matter too comes under provincial control. Something was also said about scholarships. What can the federal government do in reference to scholarships? Is that not entirely an educational question? In the past the provinces have been very jealous of their control of all matters pertaining to education.

I do not like to take from what I have heard that it is the intention of the government to continue to operate crown companies. I had hoped the government was going to get out of operating crown companies at the earliest possible moment, because no one can convince me that every crown company can operate with anything like the same degree of efficiency or economy as a private company. If I were convinced that the plant set up at Haley's had been operated economically it might be an argument in favour of crown companies, but as the minister knows, this country has already put—he will know if I am wrong, and I do not know if I am right—two or perhaps three million dollars into the proposition at Haley's; that will never come back to the country. The same thing applies to the crown company at Fort McMurray, where we have already expended approximately $2,000,000. Later I am going to try to find out what is going to be done up there. The plant has been burned down, and some insurance is due to somebody. I should say the government should take that insurance, put it into the public treasury and get out of that undertaking altogether. As far as I have observed, crown companies cannot operate with the same efficiency as private companies. Why? It is as plain as a-b-c. In a private company there is incentive to develop and produce, to sit up all night and experiment, as I have done times without number, with no extra remuneration but because it was my duty to see that the company existed and went ahead. There is not that inducement in a government institution. I had hoped that instead of creating crown companies which would remain in existence at government expense, the reverse would be the policy. There is no trick whatever in operating a company if you can

put your hand into the public treasury to meet the deficits of operation. Private companies cannot do that. The factories in your riding, Mr. Chairman, cannot do that; they have to operate on a businesslike basis.

On the other hand I am firmly in favour of the research council developing what they can and proving what they can, if they at once dispose of it to the public by tender and get out of it themselves. Then I would see some hope for development along that line; but if the government is going to operate plants I just cannot see that at all. For a while some of these plants the government has set up may have to be kept in operation by the crown, until they can be advantageously disposed of. No doubt in the end there will be losses to the country. I am not going to blame anyone for that, because many of these crown companies would not have been set up if it had not been necessary to do it for war purposes. So far as that is concerned, for whatever has been achieved I congratulate those responsible for setting up companies that private industry could not and perhaps would not set up because they did not have the money with which to do it. Now that the war is over I think it is time for the government to get out of all manufacturing, with the possible exception of military production, since there seems to be quite a strong feeling that war equipment should be produced by the government.

That is about all I have to say at this stage. I am reassured by what the minister indicated when he nodded his head a couple of times, but I should be a great deal more reassured if I knew that in due course the government would be entirely out of the manufacturing of anything.

Mr. HOWE: The national research council has been taking the lead in medical research since its inception. There has been a very strong medical committee for many years, under the direction of the council, and it is the desire of the profession that these activities should be enlarged rather than restricted. There is no difference between the provinces and the dominion as to medical research. It is a little different from anything having to do with the practice of medicine. Medical research is a valuable part of the service of the national research council. The same applies to dental research. Research into road making and road building materials is also a subject, as far as science is concerned, which is and has been of interest to the council. I know the provincial governments are also interested in research. I assume anything planned in that direction will be at least with the knowledge and approval of provincial agencies.

Mr. MacNICOL: Are we not going to overlap with provinces having their own research institutions? I know there is one in Toronto. The minister's proposal is that there will be research institutions under the control of this government, which will be operating in the various provinces. If there is to be one in Ontario, for instance, how will it cooperate with the institution at Queen's Park?

Mr. HOWE: The greatest precaution is being taken to prevent overlapping of federal government research with provincial government research. I am sure there will be no overlapping.

Mr. JACKMAN: Mr. Chairman, while it is always comforting to see Mr. Speaker apply the rules not only against the humble private members but also against ministers of the crown, yet I must say I was sorry the minister did not have a chance to continue his explanation when he spoke upon the introduction of the resolution. I should hope that before long he would discuss any point which appeared in his original memorandum, even though he does not refer specifically to the sections involved.

Meantime I should like to know what is being done in respect of this great problem by other countries. This is not a problem singular only to Canada; rather it is one which the United States, Great Britain and other great powers must be working. Perhaps we could borrow some suggestions from them. On the other hand we may be blazing a trail along lines much better than the ones they are adopting.

Secondly I should like him to explain the relationship between the council, as it will be reconstructed, and the three national defence services. As the minister mentioned a while ago, the privy council committee on industrial and scientific research did not meet as frequently as it might have. We might assume from that the Department of National Defence was not as active in putting forth its point of view, or of having research carried on by the central council, as it might otherwise have been.

I should like him to speak briefly on the responsibilities for these various corporations envisaged by the minister, two of which I believe are to be formed at the present time and perhaps more in the future. What is to be the form of reporting to parliament? Will the same practice be followed as is followed by the Canadian National Railways, which reports to a parliamentary committee set up from one parliament to another? Or is it to report to a select committee of some other description? In connection with the reporting by the Canadian National Rail-

ways, I believe it is a well managed company, and one relatively free from outside influences. Yet when they appear before a parliamentary committee only for one week in a year, the background members of parliament may have acquired in the preceding year has been more or less lost in the interval. I would welcome a proposal from the minister for a committee of parliament which would have continuing interest in and supervision over the policies and general affairs of the corporations he intends to set up.

Perhaps it might be well to have an officer with functions modelled somewhat after those of the auditor general. He would be responsible to parliament, would report directly to it and not to the minister or to any agency of government. Because once the principle of private ownership and incentive is abandoned, sometimes the minute supervision so necessary to the effective carrying on of a company's operations is removed.

The matter of the relationship between federal research organizations and research laboratories, such as those mentioned by the minister as being located in the prairie provinces, British Columbia and the maritimes, has been discussed by the hon. member for Davenport. While the minister has said that every precaution has been taken to prevent overlapping, the very fear in the mind of the minister that there might be overlapping would lead one to the conclusion that certain existing research facilities could very well do the work without creating new agencies. If there is a danger of overlapping, there is the necessary implication that that which already exists is capable of doing the work. I hope the minister will be as specific as possible on this point.

Some hon. members in this section of the house are afraid that the Minister of Reconstruction and Supply, who is undoubtedly able in many respects, has a tendency to gather unto himself many threads of power which soon become strong ropes. If some of the measures giving him those powers were used to their fullest capacity we would certainly find that the Minister of Reconstruction and Supply had become the economic dictator of our country. In this instance he is setting up a research organization not only in Ottawa but in the various provinces. He must be careful not to overlap with certain existing —and, in this instance—provincial research institutions.

May I say a few words with respect to patents? I understand the minister wishes to set up these corporations in order to exploit them. I do not like the use of the word "exploitation" in connection with a publicly-owned company . I think the word has been reserved to our friends of the C.C.F. who like to use it in connection with certain other forms of enterprise. As one of their witnesses before a parliamentary committee once said, the words "exploit" and "monopoly" are emotional words, and we should be very careful how we use them. I do wish to learn from the minister whether any patents evolved by the research institution will be available to private industry upon payment of reasonable fees, or is it the intention to exploit them—if you like—or develop them to their utmost, and collect as much by way of fees as possible? It is not unreasonable to expect that patents thus developed should be used to recover some of the expense which has gone into research. However we find in respect of Polymer, for instance, that that process is being used exclusively by one company. This afternoon, when the orders of the day were called, a question was asked as to the cost of producing a pound of this synthetic rubber. We were told that this information was not available, although we appear here on behalf of our constituents, and are all shareholders and owners of the company. In explanation the minister said it would be unfair to Polymer to give the information because the effect would be to give competitors in the synthetic and natural crude rubber fields an advantage to which ordinarily they would not be entitled. I cannot see that in respect of a publicly-owned corporation such as Polymer the reason given by the minister was adequate. I hope he will give the committee further information as to the fees to be charged for these patents.

The minister said that he favoured setting up separate companies because of the process of corporation accounting, and that assets and liabilities would be apparent on company statements. I hope if these separate companies are set up, and corporation accounts are kept for them, some consideration will be given, not necessarily to the appointment of private auditors, but to having the auditor general look after the auditing of the accounts of the separate companies. The auditor general's report is looked forward to every year, and he could do this work most effectively. I hope there will be no reason to feel that accounts are not properly audited as far as income and outgo are concerned. Many of us have the suspicion—sometimes it is well founded and perhaps at other times it is just a suspicion—that when a corporation is owned by the government it receives assistance from other instrumentalities of government. The Trans-Canada Air Lines, for example, has

virtually a monopoly of the airways of this country. The amount of revenue that T.C.A. takes in or the expenditures which it makes are not considered in relation to the appropriations made for the Department of Transport for the upkeep of air fields in this country. Sometimes the relationship between a government-owned corporation which publishes a balance sheet showing a profit in a particular year is so close to a government department which does not operate under balance sheet accounting that the profit and loss of the corporation is lost sight of because many things are done for the corporation by the government agency which would otherwise not have been done.

Mr. NICHOLSON: How about the Canadian Pacific Air Lines? Does that company not use the same facilities?

Mr. JACKMAN: I said that the T.C.A. has virtually a monopoly in this country. That answers the question.

Will the government once and for all declare its policy with regard to municipal taxation? Many of our municipalities have had to carry a great burden during the war because large factories were erected and in some cases Wartime Housing carried on operations. The municipalities obtained no revenue from these operations, and yet they had to provide all municipal services, including education.

The profits and revenue of the national research council from year to year should be allowed to circulate instead of being revoted by the house, as was suggested by the previous speaker. In the case of Canadian National Railways any revenue above operations must, under the provisions of the 1937 Railways Act, go into the consolidated revenue fund. Then if parliament in its wisdom sees fit to vote money for capital expenditures, that is done by this house. Unless some adequate explanation is offered, I believe that the same method should be adopted in connection with the research council.

Mr. HOWE: My hon. friend has touched upon many subjects, and I shall be glad to answer those that I can remember. He suggested that the accounts of the company should be audited by the auditor general or someone appointed by him. That has been taken care of already. The accounts of all crown companies are audited by the auditor general, and the public accounts give the detailed balance sheet of each crown company operation. The comments of the auditor general also apply to the conduct of crown companies. A similar provision is contained in the Research Council Act, and this would apply to any crown company organized by the council. It would be subject to audit by the auditor general and the details of its operations would be published in the public accounts. Any provision that parliament may wish to make for the examination of the annual report of the national research council is a matter for parliament.

I would suggest that the accounts of all crown companies might very well be submitted to a parliamentary committee, perhaps the committee on railways and shipping, government owned. The scope of that committee might be enlarged so that it could undertake the examination of all crown companies. That is my suggestion, but it is a matter for parliament to decide. My hon. friend is as free to move that the report of the national research council be handled in that way as is any member of the government.

Mr. JACKMAN: That committee sits but one week in the year, which means that fifty-one weeks intervene between each sitting. That makes it difficult to have any continuity. It is the responsibility of the minister to decide matters of policy. Can he suggest any way in which there would be continuity in examination of the operations of these companies?

Mr. HOWE: The auditor general exercises supervision, and the comptroller of the treasury keeps a careful check on accounts.

Mr. JACKMAN: What about policy?

Mr. HOWE: I suppose policy is the responsibility of the minister under whose jurisdiction the various companies operate.

Mr. ROSS (St. Paul's): The minister told us where the different branches of the research council were to be located, and I was surprised to hear that no provision had been made to operate a branch of the council in conjunction with the university of Toronto, which is located in perhaps the largest industrial centre in Canada. Why was that decision arrived at, and why are some of their buildings not to be used? What coordination is there between the Ontario research foundation and the national research council? On the surface it would appear that much of the expense of research work is to fall upon the shoulders of the university of Toronto.

Mr. HOWE: The university of Toronto has been closely associated with the national research council, especially during the war years. Some very substantial items of research have been carried out, and carried out successfully. I believe the amount of work that the university will carry out for the council will be limited by its capacity to handle it.

The council will be very glad to send the university any items of research which the latter feels it can carry out along with its own major activities.

The council has worked closely with all universities, and has encouraged them to take on research work organized by the national council. I think that will continue to be the policy of the national research council. So far as the research foundation of Ontario is concerned, it is my recollection that the director of the foundation is a member of the national research council. In any event he works closely with the chairman of the national research council. I do not think my hon. friend need have any fear that the work of the two organizations is not closely coordinated.

Mr. ROSS (St. Paul's): The minister said that the university of Toronto would carry on research work and that the research council would give it as much research as it could handle. I am not a graduate of the university of Toronto; I went to McGill, but the university of Toronto is a great university and has a very large student body, which at the present time are very much cramped for quarters. The minister has said that plans have been made for buildings in connection with the university of British Columbia and, I suppose, in connection with the university of Manitoba and the university of British Columbia. If new buildings are to be built in connection with these other universities the university of Toronto should receive consideration because it is a great research centre located in a large industrial centre and urgently requires additional accommodation. Some time ago hon. members brought before the house the situation in connection with Research Enterprises. I presume that those buildings are sold. At all events it does seem to me that since new buildings are to be built in connection with other universities something should be done to provide more premises for the university of Toronto.

Mr. HOWE: The national research council erects buildings for itself and not for universities, but it happens that some buildings it erects for itself are, for purposes of administration, located adjacent to universities. If my hon. friend will visit the important annex to the university of Toronto known as Ajax he will find magnificent buildings there housing a large student body. These were made available to the university by the Department of Reconstruction and Supply.

Mr. BOUCHER: This resolution provides for the creation of corporations to carry out certain powers of the research council. Order No. 10 on to-day's order paper is to provide for the operation and financing of government companies. Would the minister explain to us the relationship between the corporations to be set up under the research council and the companies contemplated in order No. 10?

The CHAIRMAN: I do not think it is competent for the committee to discuss order No. 10 while on this resolution.

Mr. HOWE: Perhaps, Mr. Chairman, I might be allowed to say that order No. 10 makes provision for all crown companies, and that the resolution now before us provides for the research council supervising the activities of certain crown companies.

Mr. BOUCHER: Therefore the crown companies contemplated under the resolution now under discussion will be governed by the measure contemplated under order No. 10. The minister has mentioned that he proposes to establish two companies, one for the owning and commercializing of patents, another for the Polymer Corporation, and I think he mentioned a third, for the Eldorado company. The resolution before us is to give the research council power to create and operate as many crown companies as it deems desirable. I am therefore confused by the answer given by the minister to the hon. member for Davenport that it was not proposed that the crown companies set up under this resolution would be operating companies, because most certainly Eldorado and Polymer are operating companies.

Before this resolution passes we should have a statement by the minister defining the limits of the power of the research council to create crown companies and to operate crown companies in a commercial way because, as the resolution reads, it gives almost unlimited power to the research council to establish crown corporations for any and every purpose that they could possibly conceive of as having anything to do with research.

We realize, of course, that research is one of the most important things that the House of Commons could discuss in these reconstruction days, and I think every member is zealous to see to it that Canada maintains and enlarges her research activities carried on during the war so that they can apply to peace-time industry. But we should be very careful to ensure that the research council confines its activities to research for the public benefit. I should not like to see a crown corporation set up and removed entirely from the control of parliament as some of the crown companies now are. I should not like to see any crown company established and put in a position

where we would have to question any one of three or more ministers about its activities as we have to do in connection with the Canadian Broadcasting Corporation. I would not want it to be thought that because the crown companies will produce an annual balance sheet the House of Commons will get much more information about them than if the information were contained in the auditor general's report, because that has not been the experience of the house. The fact that a financial statement of a crown company appears in the auditor general's report or in public accounts and that the statement is audited and supervised by the comptroller of the treasury or by the auditor general does not of necessity give parliament the particulars it desires of the operations of the company. I think we all will agree in this day of reconstruction that the government in carrying out the mandate of the people of Canada and administering affairs of the scope of the national research council's work should do so not behind closed doors, not in secret, not in a manner that will withhold information from competitors in private enterprise or even from other nations, but should act for the benefit of mankind and for the information of private enterprise.

The Minister of Reconstruction gave some reasons this afternoon why he thought that the cost per pound of manufacturing rubber in Polymer should not be given to the public, but the reasons did not impress many of us. Polymer operated during the war in a time of emergency for the benefit of the people of Canada, and if it is to continue in time of peace it must be prepared to show that it can operate economically and must convince its shareholders, the people of Canada, that it is a wise and prudent investment for them to continue. But we cannot get that information if the particulars are withheld from us, nor can private industry benefit by the research work done at Polymer if its research information is not to be made public. It is but the part of prudence for any man before deciding whether an enterprise is sound or not to be able to compare its efficiency in production with that of its competitors. I therefore trust that the minister will make a statement defining the scope of the power that is to be given to the national research council to create and operate crown companies. Such a statement would allay the fears of many of us and probably expedite the passage of this resolution, because then we would be in a better position to judge what course we should take.

Mr. HOWE: The purpose of the national research council is to promote research, and incidentally to the promotion of research it finds itself involved in certain business activities which it is not primarily organized to handle. For example, sixty per cent of the time of the chairman of the national research council is given to problems both of organization and of business. The purpose of the reorganization of the national research council staff is to provide assistance to the chairman, who is also director of research, and relieve him of certain business activities by placing them in the hands of corporations. As I have said, the handling of patents involves a great deal of time, and in my opinion the organization for handling patents at the moment is not adequate. I believe that a corporation which will relieve the national research council of that duty is desirable. Whether a corporation proves to be the best means of handling Chalk River I am not at the moment prepared to say, but at present it is the view of those associated with the project that it can be handled to best advantage through a corporation. Chalk River involves the administration of an industrial plant, a townsite, the purchase of raw materials and the sale of the product. It has business activities as well as research activities, and it may very well be that the scientists there would prefer to have the business administration of Chalk River handled by a corporation so that they would be free to devote all their time to science.

Mr. GREEN: Is it run by the research council now?

Mr. HOWE: No. At the moment it is being operated by the contractors who built the project. It will be turned over to the national research council when it has been thoroughly tested and can be regarded as a fully operating project.

As regards Eldorado, that is concerned wholly with producing materials which will be used by Chalk River and by similar establishments in other countries, and it may be that the direction of Eldorado should be associated with the work of the national research council through a crown company reporting to the council. It will be simply asking the management to report direct to the director of the national research council and to the board of the council rather than to the minister. I have no desire to limit the number of companies which the research council can have. If it needs twenty, then it should have twenty. I am giving it power to have crown companies, and there are very sensible people on the council, so that we can leave it to the good sense of the national research council to decide how many crown companies they should have.

Mr. BOUCHER: Will the minister make a statement regarding his intentions in the

matter of limiting the scope under which any companies which may be created under this measure will operate. He has stated that the research council is interested primarily in research, but he has demonstrated the fact that he intends the research council to go into commercial production. I do not under any circumstances rest my case on limiting the number of companies that can be organized or created by the national research council, but I would ask the minister to give serious consideration to the question of limiting the scope under which the companies so created may act.

Mr. HOWE: The authority is limited in the resolution for the creation of corporations to the carrying out of certain powers of the national research council which may more conveniently be performed by a separate corporation. My hon. friend has reiterated, and so have hon. gentlemen opposite, that a corporation removes the operations from the control of parliament, and he bases that belief on the fact that I am not prepared to give the cost of producing rubber at Polymer last month. Does he know what it cost to produce rubber at any other plant last month? I can tell the selling price. Does he know, for example, what the cost of producing motors at General Electric is? The purpose of crown corporations is to publish a financial statement once every year. That is done through the annual report which is published in the public accounts of Canada. I hope we shall not hear too much about my not being prepared to give the cost of producing rubber at Sarnia last month.

Mr. BOUCHER: It is not merely a question of rubber. I think the minister will agree with me that it has been proved that scientists are not great administrators; or perhaps that it has not been proved that scientists are great administrators. When it come to putting in the hands of crown companies, engaged in research, matters of business management, I believe the minister will agree with me that some limit should be put to the scope of the operations of the concerns which are so created. He has not answered that.

Mr. HOWE: One object of the legislation is to appoint a vice-president of the council who will be a business man in charge of business administration. At the moment we are trying to correct that weakness in seeking the power to form companies. I am not putting a limitation on that.

Mr. JOHNSTON: The hon. member for Carleton asked a question and I am not sure whether the minister answered it clearly. I understood the hon. member to ask whether the information obtained as a result of researches carried out by the national research council would be made public or be given to private enterprise. My understanding is that such information will be made public in connection with the development of any process after it has been proved successful. I believe the minister indicated that at the end of the year, in their annual report, information on these various researches will be made public. Is that so?

Mr. HOWE: Steps are being taken for a wide dissemination of the results of research. I have told the house on a previous occasion that the Department of Reconstruction and Supply has a particular branch devoted to making the results of research immediately available to industry, and the national research council is made acquainted with the requirements of industry in the direction of research. In every province a representative of the department will consider any problems of research that may be helpful to the economy of that province. Further, the research council will make its library available to industry or to any user of scientific information, and if necessary, it will initiate research to supply any deficiency in available information. The latter would probably be at the expense of a business firm which might require the information. However, discoveries of the national research council are patented and it is now the practice to patent all discoveries of reasonable value. Many are in use and many patent holders already pay fees to the council for the use of the patents. Hon. members will agree that anyone wishing to use a patent of the national research council should pay its full market value, and it is to obtain the revenue that should properly come from the patents of the council that the proposed corporation to handle patents is to be established.

Mr. JOHNSTON: Will it be possible for any private enterprise to acquire a patent from the research council and then, as has often been suggested is the practice of some establishment—whether it is true I am not in a position to say—to hang the patent on the wall and simply keep it there? Would the research council have some control over private enterprise and make it develop and market these patents which it gets?

Mr. HOWE: In that case it is the practice of the national research council to lease the non-exclusive use of the patent. I cannot say that it is done in every case, but I think the council will retain the right to grant the use of the patents to more than one user.

Mr. JOHNSTON: The minister spoke of different branches of research being set up in the different provinces in order to spread the activities uniformly throughout the country. That is commendable. They should be scattered throughout the dominion. Does the minister contemplate the setting up of a branch of this research work in Alberta and also in Saskatchewan?

Mr. HOWE: They are there to-day.

Mr. JOHNSTON: Will there be an expansion, or will they be left as they are?

Mr. HOWE: I am speaking of the representatives of the Department of Reconstruction and Supply who are agents of the national research council. There are representatives of the department located in Edmonton, Regina and Winnipeg. They are being kept busy supplying information that seems to be required in those provinces.

Mr. JOHNSTON: So far, our discussion seems to have been directed along industrial lines. The national research council seems to be endeavouring to broaden the field. In listening to the minister I heard him speak of research in the medical field. That is admirable, but we should extend our research effort into the economic field. At this point may I congratulate the hon. member for Lethbridge on the recommendations he made for research into the proper distribution of goods. What efforts will be made toward research in the medical field? I mention that because, like many other hon. members, I have received many letters about the terrible disease of arthritis. There does not seem to be any material progress made in that field. Then there is cancer, which has been brought before the house on other occasions, especially by the late member for Portage la Prairie, who was especially interested in that subject, and took an active part in the discussion. This is one field in which the research council could do important work. It could assist in other ways. It could assist in research into the control and elimination of not only cancer but also arthritis. It is all very well to speak of the economic standard of our people, but if the national health is deteriorating, then the national economy will also deteriorate. Efforts should be made by the research council to extend their studies into the medical field to see what can be done with these two diseases, cancer and arthritis. Is any progress being made along that line?

Mr. HOWE: The direction of medical research is in the hands of a committee of the national research council, on which the medical societies of Canada have representation. I cannot say what work is being conducted in the two particular fields mentioned. Of course, many millions of dollars are being spent at the present time in many countries on cancer research. Certain research is being carried on here, but I cannot say to what extent. All the scientific information in that field is pooled and we sincerely hope that a cure can be found for cancer, which is the greatest killer of all diseases. However, the medical councils of the country decide the lines of activity which will be followed in medical research. The purpose is to make the funds available to the council go as far as possible, and to undertake lines of research which will be most helpful to the Canadian public.

Mr. JOHNSTON: The same answer would apply to arthritis?

Mr. HOWE: Yes.

Mr. COLDWELL: Does the national research council get in touch with the various foundations that are dealing with these diseases? There is a disease called disseminated sclerosis, which is a mysterious one, and which is attacking people to-day. I know there is a foundation in New York which is studying this disease. I wondered whether our research council kept in touch with the foundations that are dealing with these particular types of diseases.

Mr. HOWE: Yes. Our national research council maintains in Washington an office with a considerable personnel for that specific purpose. It also has an office and staff in London, England. It has facilities for obtaining the results of discoveries in any part of the world.

Mr. NICHOLSON: This afternoon a good deal has been said about the Polymer Corporation. I should like to remind the committee that after Pearl Harbor, when our supply of natural rubber disappeared, the firms which normally might be expected to manufacture rubber were not particularly interested in risking any of their capital. Had not the minister in his wisdom been prepared to invest $50 million of Canadian money in this project, the war might not have ended as soon as it did. Now that it has been demonstrated that a high quality of synthetic rubber can be made by Polymer, there are those who think the government should retire from this field. The minister would be wise not to pay too much attention to those who argue that the free enterprisers should have clear sailing in this field in which the people have invested $50 million. I believe it has been demonstrated that the quality of the rubber compares favourably with rubber made anywhere

on the continent. The facilities there are adequate to make all we need here and some for export. Should we now at this stage decide that there should be five, six, seven or a dozen similar plants in the country, or shall we continue to use the facilities that are there? Hon. members to my right can be assured that the operation of this corporation will be reviewed by the people's representatives in this parliament from time to time, just as the operations of the Canadian National Railways, and the Trans-Canada Air Lines are reviewed from time to time by the people's representatives, and that a satisfactory explanation can be given for the operation. Even the most ardent supporters of the Canadian Pacific Railway company cannot make a very good case against the publicly-owned railways.

Earlier this afternoon the minister said that it would be a splendid thing to have men working in research work move freely from university to research council, from research council into private enterprise, or back into universities. I do not share this view. A research problem is something a man cannot pick up and handle in a short time. There are men who are working on one problem for a lifetime. Those who are in the national research council should be placed in a position so that they might continue in the government service for their lifetime if there were a chance of making a decent livelihood. It is a pity that they should be obliged to leave the national research council or any public organization to go to private enterprise at a time when they are bringing up a family and are not receiving enough to make ends meet. We have had a number of distinguished scientists attached to the national research council who have been working, certainly during the war years, on compensation entirely out of line with the service they perform. It is extremely difficult to estimate in dollars and cents what some of this research has meant. I understand that at the national research council glycol has been made from low grade wheat. It has been used in cars as anti-freeze and compares favourably with Prestone. I see no reason why, when the people have spent so much money in developing a process of this kind, we should not go on and develop it, sell it to our people and find a market for our low grade wheat, and at the same time provide our car drivers with a suitable anti-freeze at a lower price than we normally pay for Prestone.

I am very glad to hear that additional money is to be spent in western Canada. I am sure the people of Saskatchewan will be pleased to learn that Doctor Larmour has been selected to direct the activities of the research council in that province. He is one of our own graduates, a man who enjoys the confidence and respect of scientists across the country, and I am sure he will do a very good job. I am heartily in favour of research on the ground, as it were, when we have so many products going to waste. I consider it quite conceivable that during our lifetime, for instance, we may find some use for the wheat straw that is destroyed in such large quantities every year. I think it is not too much to expect that if the federal government will spend a little money in the initial stages they may do research work that will pay attractive dividends from a long-term point of view.

I should like the minister to reconsider the matter which was raised earlier, of having the employees of the national research council move freely back and forth from the university to the council, where they will get their training, and then to privately owned organizations, which will obtain the benefit of the research that has been carried on. I do not think these men should be encouraged to leave for salary reasons. I see no reason why the taxpayers cannot pay salaries as attractive as those paid by private organizations. Therefore, in formulating his plans for the future I should like the minister to make upward revisions in the salaries paid to the scientists of the research council, so that none of these men will feel obliged to leave for financial reasons.

Mr. BROOKS: I was pleased to hear the minister say that it was the intention to decentralize the work of the national research council. If that principle could be applied also to manufacturing in this country it would be a great benefit to all. The minister said that a research branch would be set up in the maritime provinces. I should like to ask at what point he contemplates setting up this branch and what particular work it is proposed to do. At the present time, for instance, we have a fish experimental station at St. Andrews. I should like to know whether the work of the council would be correlated with the work of the fisheries departments, both dominion and provincial.

In connection with the method of disposing of these patents, I understand they are not sold outright to any particular company but are given to the companies for the development of certain articles. Would different companies be allowed to bid for the patent, or would the council itself decide what particular company should obtain a certain patent? Then, if that company did not deal with it satisfactorily, could the council exercise its authority at a later time and take away from

any particular company a patent which the council felt had not been developed to the fullest possible extent? These are questions the minister might answer, if he will.

Mr. WRIGHT: I have one other question somewhat along the same line which the minister might answer when he is replying to the last speaker. I was wondering what research work the council does on behalf of other governmental bodies in Canada, that is, municipal and provincial governments. The provincial governments have control of our natural resources, and a vast amount of research work could be done in connection with the best uses to be made of those resources. Does the national research council do this work for the provinces, and what are the financial arrangements as between the dominion and the various municipal or provincial governments?

Mr. HOWE: As far as research facilities in the maritime provinces are concerned, I simply said that they were being contemplated. I doubt if the study of the matter has reached the point where we can determine the exact location or the exact nature of the work. However, the work will be supplementary and additional to the work at present being carried on. In any event there is nothing in this resolution dealing with that particular enterprise, and I am not at the moment prepared to be any more definite than that. Feld representatives of the branch are operating in the maritime provinces, in association with the Department of Reconstruction and Supply.

The policy in connection with the use of patents is determined by the national research council, and in future will be determined by the council operating through the proposed corporations. I assume the policies would vary, having regard to the nature of the patents and the use to which they were to be put. For example, perhaps the most valuable patent owned by the council, at least the one I know most about, is concerned with turning ammonia nitrate into prills. When ammonia nitrate was first put on the market as fertilizer by Canada it was referred to in the southern states as tombstone fertilizer. It was found because of moisture, that if a bag were left out in the open for two or three weeks it would turn into a pillar of concrete. Employees of the government working at Calgary discovered a way to turn this material into small pellets known as prills, and by manufacturing fertilizer in that way we have found a method of marketing our surplus ammonia in a satisfactory form. That patent is owned by the national research council. We have applications from almost every country making ammonia for the use of the patent, and a policy is being studied in that connection.

Mr. FRASER: Do you collect royalties on any patents?

Mr. HOWE: We certainly will if we dispose of it. At the moment it is owned by the government and is being used in government plants, but if we dispose of the patent outside Canada we will dispose of the use of it for a price, and we have decided in that case the policy will be only to dispose of the non-exclusive use. In other words, we may license a company to use it, but will not give that company a monopoly in any territory.

Mr. COLDWELL: What was the annual salary of the young fellow who discovered that process?

Mr. HOWE: He was one of our more expensive men. I should like to make it clear that in referring to a turnover of scientists it was not my purpose to suggest that the national research council should starve them out. I believe most scientists like to move from field to field, and my feeling is that it is a good thing for them to do so. I have always encouraged young engineers who have been associated with me to try somebody else after a time, to broaden their experience. I think it is a good thing for scientists to move from laboratory to laboratory and in that way build up their background.

Mr. MACDONNELL (Muskoka-Ontario): That is what we recommend to the people of Canada.

Mr. HOWE: But unfortunately you have not provided suitable alternatives. In science we have good men coming along to replace the people who leave us, and that seems to be the great difficulty in government circles.

The hon. member for Melfort asked a question in regard to financial arrangements as between provincial and federal governments. Matters of science are treated as matters of interest to all the people. I do not think there is any exchange of funds as between the federal government and the provincial governments, unless in connection with a problem in which both are interested, but which is assigned to one, along with a financial grant. I believe the national research council would be prepared to undertake any problem it thought was of importance to any part of Canada. For example, research into the use of wheat for glycol is being carried on by the national research council as one

of its projects, and I presume that would be one of the projects transferred to the laboratory in Saskatchewan for further development.

Mr. MURPHY: Mr. Chairman, I had not thought that Nos. 10 and 14 on the order paper would interlock to such a great extent. What I shall have to say will refer more particularly to No. 10, and I shall say it at a later time.

The point which now concerns me has to do with research chemists, as it applies to Polymer, and also as it may apply to many other corporations. We know that in the development of Polymer time was a big factor, and that both governments obtained the support of engineers and chemists not only from the United States and Canada but from Europe.

What concerns me now is that in the area of Sarnia, where Polymer is located, there is a tendency on the part of many of these chemists, some of whom were employed by the Imperial Oil company, to terminate their contracts with Polymer. I am advised that some of the top men in Polymer who were most instrumental in the production of rubber so quickly, when time was an important factor, have the option of returning to Imperial Oil within a year, and that by doing so they will be eligible to take advantage of the retirement and pension schemes offered by that company.

I know, and I have no doubt the minister knows, that inducements are being offered to the head chemists at Polymer by private industry. I hope that in order to preserve this important industry the minister will see to it that we retain our top chemists, scientific research men and engineers. After all is said and done, we know what private industry will pay men of a high calibre. In this connection, one might compare what is paid to the head chemist of Imperial Oil with the amount paid to the head chemist at Polymer. If Polymer wishes to have men equal in ability to those employed by the private company, an inducement by way of price must be held out. We are alarmed at the fact that many of these men will be leaving, although they still have eleven months to serve. However, this fact leads us to doubt the permanency of the plant, and we want assurance that the head chemists will be retained.

I am not so much concerned about the question which seemed to bother some hon. members this afternoon. A week ago last Tuesday the minister gave the price of rubber, and also the price of it last September and October. I notice there has been very little change. I also notice that some of his employees in the Polymer Corporation have given out prices of rubber from time to time. I do not see how it can be any great secret. I am not quarreling about the minister's not answering the question because, after all is said and done, some of this information can be obtained later. A week ago last Tuesday the minister told us that the price was 20½ cents; and why he had to reject the question to-day, I do not know.

Mr. HOWE: The question was as to the cost of producing rubber. I am willing at any time to publish from the roof tops the selling price of rubber. But the question asked was as to the cost of producing rubber last month. While I may be willing to tell the house that last month was the best month we ever had, so far as costs are concerned, yet I am not anxious to tell the world what it costs us from month to month to produce rubber at Sarnia.

Mr. MURPHY: I did not ask it from month to month.

Mr. HOWE: I think the hon. member did, as a matter of fact. This is the question:

1. What is the present cost per pound for the production of the different types of rubber produced by the Polymer Corporation Limited?

The present cost would be the cost per month. Then he asked:

2. What was the cost of the production of the different types of rubber by the Polymer Corporation Limited during each quarter for the year ending March 31, 1945-March 31, 1946?

We are attempting to hold our research staff at Polymer. We need that staff, to keep up to date. Through the research work carried on at Polymer we have substantially improved the quality of our rubber.

The St. Clair Processing Company Limited had on loan from Imperial Oil certain chemists involved in plant operation. Now that the St. Clair Processing Company Limited is no longer in charge of operations at Polymer, some of those chemists are returning to Imperial Oil. Polymer has a permanent staff of chemists. The head chemist came to us from the oil industry. He left that industry to come to us, and I have heard nothing to indicate that he intends to leave us to return to that industry, at least in the near future.

We were admitted to the patent pool, which controls all the rubber patents, on the undertaking that Polymer would spend a certain amount of money each year on research work, and that the results from such research would be turned into the pool. We are carrying out that obligation. We believe that our contributions to the pool of information respecting synthetic rubber are well up to the expectations of those who admitted us to the pool.

Mr. FLEMING: I have several questions to ask, and I am prepared to submit them separately or in a group.

Mr. HOWE: I can remember only one thing at a time.

Mr. FLEMING: Then perhaps I should put them individually. First: Was the advisory committee under the act consulted about the present bill, and particularly that feature of it which contains the proposal respecting the setting up of companies?

Mr. HOWE: The bill was framed by the director of the national research council, and I have every reason to believe that he consulted his committee before recommending it to the government.

Mr. FLEMING: We have heard about many aspects of these companies, but I do not think the minister has told us anything about the method of financing. Is it proposed that the national research council should have power to finance the companies out of its budget, or is some other method of financing to be followed? I take it that they require some financing, even if they are only patent holding companies.

Mr. HOWE: Funds must be provided either from those voted to the national research council, or through funds voted specifically for the purpose by parliament. The cost of operating a patent corporation would be no greater than that of employing those persons who at present deal with patents on behalf of the corporation. I believe that no new funds would be required in that respect.

Eldorado has funds and working capital. It is an operating company, and we would assume it has an income sufficient to carry out its obligations. Chalk River would undoubtedly require an appropriation by parliament. If it is operated through a corporation, parliament would need to provide working capital for the operations at Chalk River, and probably in addition, some annual appropriations in the initial stages to provide for the experiments carried on at that point.

Mr. FLEMING: The resolution refers to the provision to be made for the superannuation, pension and other rights of the employees of the corporation. Has any basis been contemplated for general application to such companies? I am particularly concerned about a comparison with the pension and superannuation provisions for civil servants.

Mr. HOWE: Any superannuation plan for government employees is examined by the superintendent of insurance and by the civil service commission. Obviously, the government would not permit any superannuation plan to be established which was out of line with government practice in other directions, but the form of superannuation benefits differs as between industries. For example. the rubber corporation is closely associated with the petroleum industry, and it would require a form of superannuation which would not be dissimilar to that in effect in the industry with which it is associated. The same would probably be true with the other corporations. The purpose is not to set up a standard plan for all crown companies and the national research council, but to work out plans specially adapted to the requirements of each industry.

Mr. FLEMING: They will not necessarily be the same as among the different companies?

Mr. HOWE: No.

Mr. FLEMING: Could the minister say a word as to the extent to which an expansion of research work is contemplated, provided that the bill goes into effect? I take it that there will be an enlargement of the executive of the council, and I should like to know if there is to be a corresponding enlargement of the staff as well as a programme to retain scientists in Canada. We all know that many scientists have drifted to the United States, and one of the chief reasons given for this is that the salary inducement in Canada is not adequate to keep them here. This is a matter of great concern to us all.

Mr. HOWE: As I said, prior to the war the personnel of the national research council numbered 300; it is now about 2,000. The purpose of this bill is to expand the structure of the council in order to permit it to administer the number of scientists who are at present under its control. We are adding vice-presidents and enlarging the administrative staff at the top. With regard to salaries, as my hon. friend knows a royal commission is now investigating higher salaries in the public service, and the civil service commission is considering a new scale of salaries for the national research council. I hope that we can improve the salary position of our scientists so that it will be comparable at least with that in other countries which are competing with us for scientists.

However, there is an acute shortage of scientists throughout this continent and abroad. I suppose the atomic energy development has in a measure been responsible for this, but the fact remains that any man of science can step out into industry to-day and double or treble his salary. I say that without fear of contradiction. I know of tremendous

salaries being offered to men who are working here in Canada. These offers are sometimes made by Canadian industry and sometimes, perhaps more often, by industry abroad. That is the situation, and until we can develop more good scientists it will be difficult for the national research council to hold its personnel.

Mr. FLEMING: In the auditor general's last report there is one reference which troubles me. There was some discussion this afternoon about the audit of receipts and expenditures of the research council by the auditor general, as provided for by section 12 of the act. I should like to quote paragraph 225 of the auditor general's report for the year ended March 31, 1945, to be found on page 52. It reads:

225. The council caused an addition to be constructed to the medical laboratory of Queen's university. The addition is currently regarded as a public work of Canada. The contract, dated October 25, 1944, with Doran Construction Company, Limited, was executed on behalf of the council by Professor G. B. Reed of the university. The plans and specifications were prepared by the Department of National Defence. The contract is on a cost-plus-a-fee basis.

The contractor has been paid a fee of $1,000 and a further $1,500 for engineering, superintendence and other services. Total expenditures of $23,625.38 have been charged to war appropriation. Attention is drawn to the transaction because the records do not disclose either that tenders were invited or consent of the governor in council sought, as is required by section 36 of the Public Works Act.

Would the minister make a statement about what happened in connection with that particular matter, having particular reference to the concluding sentence?

Mr. HOWE: I shall be glad to inquire about it. I did not notice that reference in the auditor general's report. I think those who are best acquainted with the council realize that its business administration has not been all that could be desired. All matters are referred to the president of the council who should be occupied almost wholly on the scientific rather than the business side. One of the purposes of this bill is to provide a business administrator who will be more careful about transactions of the type indicated. I think it is quite possible that the council, having the funds, went ahead without obtaining the consent of the government which is necessary when public works are being constructed.

Mr. PROBE: I should like to commend the Minister of Reconstruction for introducing the general policy which is implied in this resolution. I feel he is pursuing a wise course in setting up corporations within the national research council to look after necessary business functions which are bound to be involved when these men, who are test-tube people, make important discoveries. I hope that the patents which will result from their efforts will be utilized properly for the benefit of the people of Canada. In deference to the hon. member for Rosedale, I will watch my use of the word "exploited" because there are so many connotations of the word. I hope that this will be a corporation which will have the efficiency which private industry prides itself on being able to show. I hope that we shall be able to come back in a year or two and point with pride to the fact that this corporation has been run on a commercial basis. To that end I should like to bring forward a matter in the auditor general's report which I believe the Minister of Reconstruction should take up with the co-ordinating committee. This would seem to indicate a loss of revenue to the national research council. I would refer the committee to page 14, paragraph 41, of the auditor general's report of 1945, which contains this statement:

The bureau of mines collected $1,481.93 for assays and analyses . . .

It then goes on to state:

Scales of fees exist, but most of the work is done without charge. The bureau's chemical laboratories performed 24,524 determinations, 1,566 gold assays and 294 silver assays in the year. These include tests made for other divisions. The scales of fees for such tests range from $2 to $7. Had all been assessed even the minimum rate, the revenue would have been $52,768. The actual revenue received was $1,481.93.

In view of the fact that a comparable activity, the national research council, makes charges for work performed, attention is drawn to this department's policy.

The minister stated earlier this afternoon that the Minister of Mines and Resources was on the privy council committee on scientific research. Here we have two public departments doing valuable work for people who might be considered the friends of the hon. member for Rosedale, who speaks of the efficiency of private enterprise. These two departments are doing a service for private enterprise. There is a scale of fees in the Department of Mines and Resources, but apparently the fees are not levied by the bureau of mines, while the fees are levied by the national research council. If we are to have research run on a commercially sound basis I submit to the Minister of Reconstruction that he should get together with the Minister of Mines and Resources and say: Either your department can go ahead and do this work without charge if you think that is in the public interest, or we will do

the work under national research council and charge and collect our nominal fees. Would the minister indicate why this conflict apparently exists between the two departments in the matter of assays and determinations.

Mr. HOWE: I would hardly call it a conflict. The Department of Mines and Resources has a policy of collecting fees but apparently someone is not collecting them. I presume, now that the auditor general has called attention to the matter, the fees will be collected. The research council has also a scale of fees. I would not like to guarantee that full fees are collected in every case, but with better administration we could see that they are collected.

Mr. PROBE: They are collected by national research council but not in the other case, and therefore the bureau of mines is working as a free agent. That does not seem quite right.

Mr. HOWE: Yes, I agree.

Mr. HAZEN: There is a question I should like to ask. It may not be an important one, but it has to do with a matter that is not clear to me after reading this resolution and the preceding one, which is No. 13 on the order paper. The question is this: What, if anything, will the research council have to do in the future with the investigation, research and development of atomic power? I ask that question in view of the resolution which is No. 13 on the order paper, which provides for the setting up of a corporation to be known as the atomic energy control board, to have control and supervision over the development, application and use of atomic energy. Will the board that is to be set up under resolution No. 13 control the activities of the research council so far as atomic energy is concerned? Was any attention given to making the atomic energy control board a part of and come under the research council, or why was it made, as it apparently is to be, altogether separate from the research council? The minister said that Eldorado would come under the research council and that Chalk river might. Why should Eldorado not come under the atomic energy control board rather than under the research council?

Mr. HOWE: The atomic energy control board is primarily a policy board. There is only one appointment to the board that is ex-officio, and that is the president of the national research council. There are other obvious appointments to a policy board. One would be the representative of the government of Canada on the international atomic energy commission. There would be other interests that would have an important contribution to make to the policy governing atomic energy.

The operation of the Chalk River plant, however, would be associated with the national research council. The atomic energy commission would determine policy in the use of the product and in disseminating knowledge of atomic energy as it affects the people as a whole. But the operation of the Chalk River plant would naturally and, I think, necessarily be under the direction of the national research council, from which it would draw practically all its scientists.

Mr. HAZEN: Policy is a matter for the government.

Mr. HOWE: The government will be advised by a commission in this case.

Mr. STEWART (Winnipeg North): Speaking of Polymer a little while ago, the minister stated that that company was a member of a patents pool. What are the names of the other members of the pool?

Mr. HOWE: All the manufacturers of synthetic rubber on this continent.

Mr. STEWART (Winnipeg North): Principally the big oil companies; is that not right?

Mr. HOWE: I think the big oil companies own certain plants, but in any event all the patents available on this continent at the time this work was needed were acquired by the government of the United States and were made available under certain conditions to those wishing to use them for war purposes. We availed ourselves of them. We could not have built the rubber plant without them; we could not have obtained the information required to build it. But we met the conditions and obtained the use of the information, as did others who were commissioned to build synthetic rubber plants at that time.

Mr. STEWART (Winnipeg North): Are there any restrictions on those belonging to the pool? Could a private enterprise group in Canada, if it wanted to, build another factory for the manufacture of synthetic rubber, or is there monopoly control?

Mr. HOWE: If they could get the use of the information, yes. I think it would be very difficult for any private group to-day to obtain all the necessary information on synthetic rubber and build a plant.

Mr. Chairman, I have on the order paper three resolutions that I should like to deal

with, and perhaps hon. members would allow this resolution to pass now since we have had a long discussion about it.

Mr. GREEN: Some members of the opposition desire to ask further questions.

Mr. BLACKMORE: I am not ready to let it pass yet.

Mr. COLDWELL: Will the minister take the resolution under order No. 13 next? The same questions will arise there.

Mr. HOWE: I had in mind to finish the resolution under order No. 10 first, where the same questions will arise, and then we could take No. 13.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MACDONNELL (Muskoka-Ontario): As I said earlier in the day, we are all entirely in favour of the continuation and extension of the work of the national research council. The minister explained that one of the proposals under the bill would be that the council, it was hoped, would make certain discoveries through scientific work, which discoveries would be made the subject of patents and in proper cases be made available for use in ordinary business and private enterprise. He also indicated, as the resolution itself indicates—and it is in this regard that I wish to ask him a question—that several corporations might be set up which the council would in fact operate and manage. When he first spoke he mentioned two or three of these corporations, but later in the afternoon I understood him to intimate that there might be a considerable number. I can understand the operations of the national research council; I can understand their making discoveries; I can understand these discoveries being made available by means of sale or lease as the case may be. But what is of importance, regarding which I should like to have some further information, is this. One or two cases were mentioned by the minister—Polymer, Eldorado and, I believe Canadian Arsenals. Will he indicate what he considers to be the kind of cases in which there might be further corporations—and by that I understood him to mean corporations, some of which, at any rate, might be carrying on some kind of business? Will he indicate the general principles which will underlie the formation of these further corporations?

Mr. HOWE: It has never been the practice of the national research council to go into the manufacturing business. For example, even during the war, all scientific discoveries in the field of radar made by the council were developed commercially elsewhere. At that time the work of the council stopped in making one prototype. A new radar device would be invented by the research council, and a prototype made, which would then be sent to Research Enterprises for manufacture, the actual manufacturing details being worked out by the crown company which was not associated with the national research council.

The present policy would be for the national research council to make the prototype. It would then be sent to a private industry, which would work out the manufacturing details and put the device on the market, or manufacture it for the armed services, as the case might be. This will continue to be the policy so far as this government is concerned. It has been decided as a matter of policy that the work formerly performed by Research Enterprises Limited will now be done by private interests. In other words, with the liquidation of Research Enterprises, it is not proposed, in future, to perform through crown companies the work which was formerly done by Research Enterprises.

The crown companies supervised by the research council will be those which will deal with the business side of the national research council. For example, in my opinion, the marketing of patents must necessarily be associated with the national research council. Further, experiments on atomic energy must, of necessity be a part of the work of the research council, and so large a part of the staff connected with that project should logically be associated with the council. If Chalk River is associated with the council, Eldorado, which furnishes the raw material for Chalk River, should also possibly be associated with the council. It has not, however, been decided finally whether Chalk River and Eldorado will be associated with the national research council. These, together with the parent corporation, are the crown companies which are envisaged at the moment. There may be one as the minimum; there may be three as the maximum. If I mentioned Polymer I did so inadvertently. It is not proposed that Polymer will be placed under the national research council.

Mr. MacNICOL: It could be disposed of by and by.

Mr. HOWE: It could be, or it could be operated under some department of government. The latter would be the logical development for Polymer.

Mr. MacNICOL: The first two should be under the government.

Mr. HOWE: They are closely associated with the work of the research council; and inevitably, for several years, they will be scientific establishments rather than commercial establishments. We hope that in time Chalk River will develop a commercial establishment and, if it does, probably it should be withdrawn from the research council, and put under another department of government.

Mr. MacNICOL: Or disposed of.

Mr. HOWE: I hope I have made the position clear. It is not intended that the research council shall go into the manufacturing business. That has not been the policy to date, and, as now contemplated, will not be the policy in the future.

Mr. MACDONNELL (Muskoka-Ontario): Perhaps I might make sure that I have understood fully what the minister has said, and to do so I might sum it up in this way. I understand the minister to have said that the companies he has in mind will be companies necessitated by scientific operations of the research council or by such business dealings as are incidental to those scientific operations.

Mr. HOWE: That is correct, yes.

Mr. ROSS (St. Paul's): I should like to correct an impression I may have left in the minister's mind. Before the recess he said that he did not intend to put up buildings for the University of Toronto. I never asked him to do so. What I had in mind was this. With the large university there, and all the work they have done, it seemed to me that one of the branches of the research council might very well be set up in Toronto. I may have left a wrong impression in his mind in that regard. The minister also said that we have done pretty well by the university of Toronto because we have allowed them to have the buildings of Ajax. I should like to make a correction there too. It is not a question of allowing them to have the buildings of Ajax, but the university of Toronto wanted to do work in connection with the rehabilitation of men returning from overseas. They have at present more applications than can possibly be taken care of. They could take a good many more if they had more room. I do not wish the government to get the idea that they are doing the university of Toronto a favour in that respect, because for every student who goes there it costs them money. I just wanted to get that straight.

During the war a great many crown companies were formed. How many of these companies were formed by order in council and how many by acts of parliament? Is it proposed under this bill that the companies which are to be formed will be formed by individual acts of parliament to be discussed here before the companies are formed?

Mr. HOWE: The provision of the bill is that companies will be formed under the provisions of an act of parliament, part I of The Companies Act, and therefore a separate act is not required.

Mr. MacINNIS: I do not wish to say very much at this time because I believe we are wasting time on discussion that should take place on second reading of the bill or when the bill is in committee. At that time we shall have more information before us and we can discuss the matter much more intelligently. All we have to do now is to approve the principle outlined in the resolution which is fairly clear. If we do that, then the matter of the setting-up of the companies and all the other matters mentioned in the resolution will appear in the bill.

A moment ago the minister said that it was not finally settled whether the Chalk River undertaking would be associated with the national research council. It would be a bold man who would say to-day that anything is finally settled. We are in a world that is moving fast. An indication of that is the bill which is about to be brought before us. Ten years ago or even seven years ago it would be unthinkable to have a resolution such as this introduced into the Canadian parliament. We should not really concern ourselves as to whether or not the matter is finally settled. Conditions will determine what changes are to be made.

So far as we of this group are concerned, our leader made our position quite clear this afternoon. I support the principle of the resolution and I think we should get on with the bill as quickly as possible. At that time we shall be able to discuss it much more intelligently than we can now.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce bill No. 154, to amend the Research Council Act.

Motion agreed to and bill read the first time.

Mr. GREEN: This afternoon the minister had not quite finished making his statement with regard to this measure. It would be helpful if he could finish his statement at this stage rather than waiting until we are on second reading.

Mr. HOWE: It is understood that the bill is read the first time. Perhaps it would be in order for me to finish the statement.

Mr. DEPUTY SPEAKER: There is no debate on first reading.

Mr. GREEN: Just to finish his statement.

Mr. DEPUTY SPEAKER: Moved by Mr. Howe, seconded by Mr. Glen, that the bill be now read a second time.

Mr. GREEN: No; next sitting of the house.

Mr. STIRLING: Even though debate on first reading is not permissible I wonder whether, with unanimous consent, permission could be given to the minister to complete the statement which he began to make and was prevented from doing this afternoon. The reason I ask that is that we shall have the bill in our hands soon and it would facilitate later consideration to a great extent if the statement could be completed.

Mr. COLDWELL: Mr. Speaker, is it not usual to give the bill second reading and then consider the details in committee? Would not the bill have to be read a second time or passed into committee before the minister can make a further statement? It seems to me that this afternoon Mr. Speaker called the minister to order because he was about to discuss the various sections of the bill. If he was out of order then, surely he would be out of order now.

Mr. STIRLING: I think it will be agreed that with unanimous consent we could listen to the remainder of the statement.

Mr. COLDWELL: I am not going to object to that.

Mr. DEPUTY SPEAKER: I understand there is not unanimous consent.

Mr. COLDWELL: I am not objecting to it.

Mr. DEPUTY SPEAKER: There is nothing before the house.

Mr. GREEN: There is no objection.

Mr. DEPUTY SPEAKER: I would suggest that after second reading is moved the minister can make his statement and the matter can then stand over.

Mr. JOHNSTON: We should have a look at the bill before it gets second reading. The minister can make any explanation he wishes now; I have no objection to that, but we should have the bill before us. I have not yet seen it.

[Mr. Green.]

Mr. HOWE: In the circumstances perhaps we can adjourn the debate and I shall make the statement immediately on second reading. Will that be satisfactory?

Mr. JOHNSTON: Take up the other resolutions.

Mr. DEPUTY SPEAKER: Second reading will be given at the next sitting of the house.

GOVERNMENT COMPANIES

OPERATIONS AND FINANCING—SUPERANNUATION AND PENSION PROVISIONS, ETC.

The house resumed from Tuesday, May 14, consideration in committee of the following resolution—Mr. Howe—Mr. Macdonald (Brantford City) in the chair:

That it is expedient to introduce a measure to provide for the operation and financing of government companies, to define their status as agents to His Majesty, and to provide further for the superannuation, pension or other rights of the employees of such companies.

Mr. MURPHY: In a brief statement this afternoon I mentioned that I was primarily concerned with the Polymer Corporation, which is one of the companies affected by this particular resolution. Since the Polymer Corporation happens to be in my riding I should like to make some comments on this resolution. First of all, I wish to say that I appreciate the fact that this particular industry is located at the particular place where it is, which, after all, is the logical place for its location. As everyone knows, this plant is on the great lakes, and is next door to the Imperial Oil refinery. While Imperial Oil happen to be the largest refiners in the British empire, they have several refineries in Canada, and the largest in this country is at Sarnia. So that obviously this was the natural and logical place for the Polymer Corporation.

I think I should say in the beginning that we all appreciate the fact that after Pearl Harbor it became absolutely necessary that we manufacture rubber immediately. Time was of the utmost importance; cost was not. We were in a state of emergency; we were all concerned with producing rubber in order to prosecute the war successfully, and producing rubber as quickly as we could. With that in mind, this country and the United States, with support received from other scientific sources, were able to gather together a very considerable group of scientists, research engineers and chemists who pooled their knowledge to bring about the manufacture of rubber in this country. At that time we in Canada had the support of some of the most capable men in our industrial life. On the board of directors when the Polymer Corpora-

tion was incorporated we had men such as Mr. Campbell, president of the Ford Motor company, the president of Goodyear Tire, and other men of high reputation who, working with that body of scientists, were able to get together and perform a miracle. I have no hesitation in telling this committee now that, as a result, Canada was in the lead in the development of synthetic rubber, something of which we may all be proud.

I am speaking as the member for that riding. As a matter of fact this plant is located in the township in which I live. As a crown corporation it is not liable to taxation, which of course is also the case in other ridings in which crown corporations are located.

Another aspect of the question, with which I should like to deal a little later, is the security of the men who carry their dinner buckets, who are vitally interested in whether or not the present operation is continued.

I wish to deal first with the matter of taxation. The minister stated that some $50 million had been invested in this corporation. I do not attempt to suggest that if this were a private corporation that entire amount would be subject to taxation. We all know that, while land and buildings would be liable to taxation, under our assessment act the municipal assessment or taxation would be on but a small part of that total. According to the company's statement as of March 31, 1944, I find that the capital for land and buildings was in the neighbourhood of $7,000,000, in round figures, while the capital as of March 31, 1945, was about $1,250,000 more. I submit that the municipality in which this corporation is located is subjected to expense by necessity, for instance in connection with the maintenance of roads, hospitalization, administration, education and so on. I should like to give some rough figures with respect to education, having in mind the fact that, according to the minister, this corporation turned in to the government profits of some $10,000,000, apparently since the 1944 statement was issued, because in that statement we were told that the loss of the corporation was around $440,000. In this particular township there are four school sections which have had, by reason of the Polymer Corporation, a capital outlay on new buildings and rentals, in addition to extra teachers, amounting to something like $250,000, on which there is of course an annual charge. We find that in the six months since November 1 of the last year the cost of hospitalization was about four times the cost three years ago, and we must anticipate increased costs in that connection, though we do not know how great the increase will be. The same argument will apply in connection with relief.

At the time the plant was in the course of construction I happened to be on the township council, and we received from the corporation a grant of $6,000 toward the cost of road maintenance. As hon. members know, construction was carried on both winter and summer. We are not quarreling over the additional cost incurred, because time was of the utmost importance, and everyone wanted the work done in a hurry. We all know it could have been done more cheaply in peace time, and it could have been done more cheaply in the summer time, but no one objected to the work going on summer and winter because the plant had to be completed in record time, and it was. But in order to carry on that work they had to haul gravel over the roads at periods when full loads were not permitted, and as a result they gave the township $6,000 toward road maintenance. That summer they also contributed $5,000 to the general township fund, and similar annual grants have been made since that time. There was some argument as to what should be the proper amount. We did not know what the expenses would be to which I referred a moment ago, or what the increase would be.

I maintain that if this crown company is to remain a crown company and operate as such the municipality should receive some consideration by way of compensation for the additional expense incurred, which I have somewhat laboriously pointed out. I am certain that if it were a private company and were assessed as such, the assessment of that plant alone would just about equal the present assessment in the township. I am also equally confident that if it were a private company, and if it were to be assessed at a lower value, as other industries are, our revenue from Polymer would be at least $70,000 a year. If it is considered advisable to have this measure pass, some consideration should be given to these modest claims by way of compensation for the township.

I notice from the resolution that the minister has included provision "for the superannuation, pension or other rights of the employees of such companies." I should like to emphasize at this time why in my view each of these companies, in the interests of good reasoning, should be incorporated separately.

After all is said and done, we are concerned about the permanency of the Polymer Corporation, and its continuation. The employees have a great deal invested because of employment in that company. At this time I believe

that they have group insurance coverage to the extent of $2,500 a year. If I am not correct in that, I shall be pleased to be corrected. I believe, too, that they now receive some hospitalization, sickness and accident benefits.

Referring to these social security benefits, I was glad to hear the minister say that he had in mind the Imperial Oil plan. My point is that if the Polymer Corporation incorporated separately, it would not be jeopardized by the failure of any of the other companies. Since this corporation employs much the same type of employee as does the Imperial Oil Company, my suggestion is that in all probability Polymer Corporation employees should be entitled to the same standards of superannuation, hospitalization and other benefits. While during the period of construction the plant may have employed what might be described as journeymen types, in its present operations the type of workman employed is superior to that found in most plants and, as the minister has said, of a type comparable favourably with those employed by the Imperial Oil Company. Many of them are skilled mechanics, and they are employed because much of the operation in the plant is technical.

My chief concern is as to the permanency of the company, whether it is to be operated as a crown company or as a private concern. The minister has said that no atttempt has been made to see what the purchase price would be. I would suggest, however, that any company showing a profit of $10 million would seem to be a tempting organization in which to invest money. I shall leave the matter there for the moment.

At this point I should like to read into the record a statement made by the minister, and for the next few minutes I shall attempt to place on the record the series of events in proper sequence. The first is a statement by the minister on May 14 where, at page 1513 of *Hansard,* he is reported to have said:

> One difficulty is analysing government-owned business in general is the government's method of bookkeeping. It is a simple method of bookkeeping. Everything that is paid out by the treasury is charged up as expenditures from a government appropriation and everything that is received is entered on the books as revenue.

In the next paragraph he says:

> The bill that will be based on this resolution provides for the normal corporation accounting for crown companies.

As I said a minute ago, the minister did state as reported at page 1561, that Polymer Corporation was built at a cost of about $50 million. He said on the same day that the cost per pound of rubber was about 20½ cents.

Then, in reply to my question on October 29, 1945, as reported on page 1570 of *Hansard,* the parliamentary assistant to the minister answered:

> To September 30, 1945, Polymer Corporation Limited released to War Assets Corporation, buildings, machinery and equipment to the value of $1,757,740.31, and machine tools to the machine tool and war service committee to the value of $208,761.28. These transfers were made at cost to Polymer Corporation Limited. Direct sales and returns to manufacturers were made by Polymer Corporation Limited to the value of $144,861.47.

I turn next to public accounts for the fiscal year ended March 31, 1944 and direct the attention of the committee particularly to page K-108, on which appears the balance sheet as of that date for the Polymer Corporation Limited. Under the heading "assets" appear these items:

> Inventories, at the lower cost of realizable values, as determined and certified by the management—
>
> Materials and manufacturing supplies (including coal, $1,791,731.03), $2,836,064.67.
>
> Pre-production expenses applicable to butyl rubber, $638,500; training of technical employees, $503,421.97, $1,141,921.97.
>
> Net loss for the year ended March 31, 1944, $420,936.33.

Just by way of observation in connection with these latter figures, I should like the minister to explain whether the item of $1,141,921 covering pre-production expenses applicable to butyl rubber and the training of technical employees covered all the pre-production expenses, or was it only part? It is shown here as part of the assets.

In the 1945 public accounts the balance sheet as of March 31, 1945, is on page MA-123. In the assets column we find an item of $1,558,907.99 covering inventories at cost as determined and certified by the management. Then, under liabilities we find an item of $967,685.30 covering portion of administrative expenses capitalized during the period of plant construction, now written off. I do not know what the total of that item is, although I expect we shall get that information later on. Since this item gives only a portion I think we are entitled to have the complete picture.

There is another item which I feel I must cite. There is set out capital assets held in trust for the crown as at March 31, 1945, and under this is one item of $1,513,094.43 covering construction camp, staff and bunk houses and roads, sewers, et cetera. Then, under liabilities are shown reserves which I think will require some explanation if we are to know how to assess this resolution. One item is unascertained losses and other contingencies, $3,000,000, and another is inventory appreciation, $1,802,484.74. Then under "surplus" I

find an item of $1,134,551.56 covering special reduction in inventory appreciation reserve.

What worries me as a businessman when I look at these figures is how I can arrive at some intelligent answer without having a great deal more information. I have had some experience in business and I should like to have more details of these items which cover very large amounts of money. According to the minister, the cost of Polymer is around $50,000,000 and he tells us that the company has turned over $10,000,000 in profits to the government. I am wondering whether certain items should be charged to profit. If so, it will alter the statement on profits and affect the cost of rubber per pound.

Certain features in connection with this Polymer Corporation seem a little cloudy to a businessman, and any remarks I make in this connection are not intended to cast any reflection on anyone. As I understand it, by agreeing to this bill we shall be endorsing what has been done. I should like to quote from sessional paper 250, which sets out the operating contract between Polymer Corporation Limited and Dow Chemical of Canada Limited, dated as of May 1, 1942, but not executed until June 28, 1943, covering the operation of the styrene unit; and operating contract between Polymer Corporation Limited and Canadian Synthetic Rubber Limited, dated as of March 26, 1942, but not executed until March 22, 1944, covering the operation of the buna A copolymer plant. The note which follows is, I think, very important. It reads:

> No operating contract or letter in lieu of contract relating to operation of the units being operated by St. Clair Processing Corporation Limited exists. Imperial Oil Limited and St. Clair Processing Corporation Limited have proceeded on the strength of the assurances received from the senior officials of Polymer Corporation Limited that they would be paid on a reasonable basis for services rendered and products supplied. Negotiations are proceeding.

Here we have the government or some agency of the government doing business in millions for a year or two with nothing in writing. Apparently these transactions were carried out on the strength of assurances by senior officials of the Polymer Corporation Limited. I assume that they would be the directors and Mr. Nicholson, the general manager, in whom everyone has complete confidence. I have heard it whispered here and there that Mr. Nicholson's salary of $25,000 is too large, but I want to go on record right now as saying that I happen to know Mr. Nicholson and that if the general manager of Polymer corporation is not worth $25,000 a year, he would not be the manager. After he pays his income tax he has only about one-half of that left. However, this sort of thing, contracts on assurances, does not look like good business to a businessman.

There is no question in my mind about the future operations and the continued success of the Polymer corporation, but the taxpayers and the employees there are wondering just what permanency there may be. As I said this afternoon, we have had the benefit of much expert advice but, now that the war is over, these people will be returning to their own places of business, having performed their duties more or less from a patriotic point of view and having received no money therefor. Now that they have left, the government must depend upon what remains in the way of expert technical advice. The people are wondering if a change in government policy is likely to affect the jobs of these 1,800 persons, with their families, as well as their investments, the municipal obligations they have undertaken, public services and schools and that sort of thing. Are they to continue as employees? They say that rubber may be used as a means of barter between Canada and some other country and that perhaps the production of rubber, by government policy, will decrease 50 per cent. Some maintain that under private ownership, with so much invested and so many stockholders interested, they would naturally carry on to the best of their ability. We know that this government in the operation of this plant did import products duty and excise free, but that is only a matter of bookkeeping anyway. We realize that, whether it is under public ownership or private ownership, we shall have to compete, there being no duty on rubber, with foreign markets. We know that we have an export market in the Scandinavian countries, a bit of a market in England and a bit in the South American countries.

The point I wish to emphasize is that some of the employees who have been with this corporation a long time, some of them during the course of its construction, are sceptical, many of them, about the efficiency of government operation. They wonder what this $10 million profit means or if it is a $10 million profit. They know, for instance, that in the course of construction of Polymer there were some thirty-five or thirty-eight bunkhouses, staff houses, hospitals and so on and that some of their friends bought some of these staff houses, which cost from $25,000 to $30,000, for one or two thousand dollars as the case may be. They know also that their friends wrecked these buildings, dismantled them. I know that in one case the purchaser obtained the property for the purpose of obtaining a

heating unit. He took the heating unit out for his hotel, and he took out the plumbing and the electric light wiring, and then sold the shell for as much as he had paid for the complete building.

Another one—and mind you, these people know this and it is one reason why they are so sceptical—purchased one of these bunkhouses for an amount in the same neighbourhood, dismantled the building and claims that he made from four to five thousand dollars on the deal.

The point which I think is most important to these men who have seen the scrap collectors go in with their trucks and take out scrap which was not scrap is that they wonder if that is the way the government is going to carry on this proposition.

Mr. HOWE: My hon. friend is making charges. I will be very glad to have a committee investigate the charges that he is making at this moment. This attack by insinuation is not helpful.

Mr. MURPHY: The records I have here, Mr. Chairman—I will give them to him right now—the minister will be able to verify if he looks up his own records.

Mr. HOWE: So far as any wrongdoing is concerned, the public accounts committee or the war expenditures committee will be glad to investigate any charges, and I shall expect my hon. friend to appear before whichever body he chooses and substantiate his charges.

Mr. MURPHY: The resolution before us, as I read it, is to provide for the organization, administration and financing of such corporations. And the question is, do we want the government to operate these companies? If not, why? I am telling you why.

Mr. HOWE: I am asking my hon. friend to substantiate the charge he made that junk dealers go in and take out material that is not scrap. That is a charge of dishonesty and my hon. friend as a member of the house will have to take his responsibility for that charge.

Mr. MURPHY: I will take my responsibility right now.

Mr. HOWE: Then you will do it before a committee of this house.

Mr. MURPHY: I will give you an opportunity of verifying it from your own records.

Mr. HOWE: I shall ask a committee of this house to verify it.

Mr. FRASER: We know that 3,300 stoves were sold as scrap.

[Mr. Murphy.]

Mr. MURPHY: The other day in the war expenditures committee I asked the head of War Assets—I think his name is Mr. Berry—

The ACTING CHAIRMAN (Mr. Golding): Order.

An hon. MEMBER: The hon. member asked for it.

The ACTING CHAIRMAN (Mr. Golding): The hon. member is out of order in referring to something that is before a committee of the house.

Mr. MURPHY: I will leave out what took place in the war expenditures committee. We have only started in there; there is more to come. I wish to put this on the record, that an article known as:

6″ Standard cast iron rubber lined obnoxious vapour condenser. Fig. 4010 Size 14″ x 17″ x 47″ (new).

Not old.

Reported to War Assets by Polymer. Cost $325.40. Sold as scrap to Lampel—

A disciple of Shylockism, and there are many more throughout the country.

—on MTL-18838 at $1.34.

I do not know why they put in $1.34, except that it makes it hard to figure the percentage. I can imagine this man Lampel going to your man in War Assets to buy this and your man saying, "It cost us $325.40," and they finally got down to the point where the War Assets man—I could name him—finally took $1.34—a dirty dollar, three dimes and a nickel and gave back one penny, and the War Assets man gave this fellow, the disciple of Shylockism, one penny.

Mr. HOWE: You mean he was a Jew. You may as well come out and say it straight.

Mr. MURPHY: If you will keep your seat—

Mr. HOWE: If you want to make this unpleasant, we will have it good and unpleasant.

The ACTING CHAIRMAN (Mr. Golding): I think the hon. member is entirely out of order in bringing up this matter on this resolution.

Some hon. MEMBERS: No.

The ACTING CHAIRMAN (Mr. Golding): All these matters are being dealt with by a committee of the house and the hon. member had an opportunity of presenting them there. He is out of order, on this resolution, in discussing these matters which are before a committee.

Mr. GREEN: Mr. Chairman, may I point out on the point of order that one of the companies referred to is covered by this proposed measure, the Polymer Corporation. The hon. member is now dealing with what happened at the Polymer Corporation and I submit that he is perfectly in order in doing so.

The ACTING CHAIRMAN (Mr. Golding): I must disagree. The hon. member is dealing with something in connection with War Assets, and that is before a committee of the house.

Mr. MURPHY: I submit, Mr. Chairman, that this case has not come before the committee. This resolution, if it is adopted, means that we endorse having this company operated as a crown company. The resolution asks us to endorse the government in continuing this company as a crown company. I submit, Mr. Chairman, that the company must be judged on their record, and I am prepared to give the record. This has not yet been before the war expenditures committee.

The ACTING CHAIRMAN (Mr. Golding): The hon. member is referring to some business transaction with War Assets Corporation. War Assets Corporation, with all its dealings and its methods of doing business, is now the subject of an inquiry by a committee of this house. I think the hon. member will agree with me that it is not in order to bring matters of that kind before the house while the committee in question is sitting.

Mr. MURPHY: Am I to understand, then, Mr. Chairman, that, even in order to appreciate the question we are discussing, we must not go into details and seek information upon which we can base our judgment?

The ACTING CHAIRMAN (Mr. Golding): I hope the hon. member will not take that view. We are discussing crown companies, but the matter which the hon. member was dealing with had to do entirely with War Assets Corporation. The article he mentioned as having been disposed of was disposed of by War Assets.

Mr. MURPHY: I will deal first with what was sold by Polymer Corporation.

Mr. HANSELL: On a point of order, Mr. Chairman, as I understand your ruling—and I am interested in this because I expect to speak on the matter—it is that on this resolution we cannot discuss the operations of War Assets. I take issue with that, because there is no committee specifically set up to investigate expenditures of War Assets Corporation. The committee itself is a war expenditures committee which has the right to investigate any war expenditures at all, and just because at the present moment the committee is investigating War Assets, it does not follow that that is what it was specifically set up for. If your ruling is correct, we cannot on this resolution discuss the three companies, because they also have been operating in time of war. I suggest that if there is anything in your ruling it can apply only to such items as may be under discussion at the present time, but I do not think it can apply to all the business of War Assets any more than it could apply to all the business of any other crown company.

The ACTING CHAIRMAN (Mr. Golding): I would point out to the hon. gentleman that this is not my personal point of view. It is recognized as a rule governing the whole of our parliamentary procedure, that while some matter is being discussed by a parliamentary committee set up for the purpose, such questions should not be referred to or dealt with in detail in the house. If the hon. member was going to proceed to deal with crown companies, that is what we have before us at the present time; but only a short time ago the hon. gentleman was referring absolutely to what happened in the committee, dealing with one particular item. I am quite sure he will agree with me that I am right in calling the attention of the committee to the fact. The motion in connection with the war expenditures committee was this:

> On motion of Mr. Mackenzie King it was resolved:
>
> That a select committee be appointed to examine the expenditure defrayed out of moneys provided by parliament for national defence and demobilization, and for other services directly connected with the war, including the disposal of surplus war assets, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein—

And so forth.

Mr. MACKENZIE: On March 22, 1946.

The ACTING CHAIRMAN (Mr. Golding): I hope the hon. member will deal with crown companies. He is in order in doing so.

Mr. MURPHY: I presume I may continue this argument on a more limited basis by referring neither to the article nor to the person who purchased it.

The ACTING CHAIRMAN (Mr. Golding): If the hon. member is going to bring up those matters I suggest that he should bring them up in detail in the war expenditures committee.

Mr. MURPHY: I should like to have the position clear. I emphasized at the start, purposely, that there were certain questions I had in mind. I want to determine whether certain figures are to be considered as capital cost or to be charged against profits. We have had the statement that $10 million was made; we also had the financial statement up to March 31, 1945, giving us in some detail, very limited, capital costs; and my point is simply this, that in order to determine whether they are capital costs or must be charged against profits we must have more information. I submit, then, that I am entitled to ask the minister or the government what particular capital account or figure these amounts can be charged up to. So that we may agree on this, take the figure I have just quoted, which was $325, and the item was sold for $1.34. My argument is that if the capital costs are as outlined by the statement, at $50 million, this represents a loss of $323.66 which must be charged up against capital, or it must be charged against profits, or it must be the amount representing the loss that would be actually sustained if you and I were operating that company. That is clear. I do not wish to be overbearing on this sort of thing. I am an Irishman; I am rather new here, and I am willing to learn.

Another item amounts to $218,058.55. That was sold for $3,500. There is another item of $286,460 which was sold for $19,000; another item of $22,350.84 which was sold for $3,650; another item of $21,076 which was sold for $1,900; and another item of $46,658.96 which was sold for $1,560. Another item of $107,597.47 was sold for $1,188.25, or 1·7 per cent of the cost. Another item of $269,489.13 was sold for approximately $6,000, or 2·2 per cent of the cost. The total of these eight items is $775,815.95. These items were sold for $35,602.59, or 4·5 per cent of their cost. Was that part of the capital cost of Polymer? Looking at the statement, and trying to interpret it as a businessman, one must come to the conclusion that there is a loss of $742,413.36 somewhere.

I appreciate the difference between something used and something new. I do not expect that the government through any of its agencies will realize as much on the cost if the article has been used as they would if if were new. Let us take bunk and staff houses as an example. No one expects that they are going to be sold for what they cost. I quoted some of these figures purposely to show that they were sold for less than could have been realized for them by what one might consider businesslike methods.

[The Acting Chairman.]

We have also to take into consideration the important fact that some of this merchandise was never used and was sold at so much per ton. Some of it was sold since the statement I quoted was drawn up. This statement is dated March 31, 1945. Do those sales enter into the cost or profit of Polymer? We want to know that.

This afternoon the minister chose to ignore the question which I happened to have on the order paper. He may have acted wisely. That is for him to say. But if we are to endorse the resolution to let any department of the government operate or continue to operate we are at least entitled to information, and I submit that we should have had a different answer. How are we to analyse a statement without having such information before us?

I understand that some of the new merchandise which was sold by the ton, and which forms the greater part of the amount quoted, was sent to another plant just below the Polymer Corporation. I do not know why, and my people wonder why, it was sent there to be loaded on cars instead of being loaded in the Polymer Corporation. I submit that these amounts which I quoted represent a realization of some 4·5 per cent of cost. I also appreciate that the government or some department of government could have a building in some faraway place which would have involved a considerable amount in dismantling, and the cost would probably be out of proportion to what it would have been worth when dismantled. But there is one point which my people question, and rightly so. We are not the only place in Canada which is hard up for housing, for toilets and wash-basins, for electrical wiring and so on. I do not mind telling this committee that considerably more than two or three million feet of good lumber could have been salvaged from these staff and bunkhouses, et cetera. It seems like poor business for the houses to remain there unused when the material could be used in erecting houses for veterans and others who need them.

It seems obvious that I am not permitted to put on record more details concerning these particular sales, but the few items I have given come to a little better than three-quarters of a million dollars. In all probability, when these and other companies are investigated by the war expenditures committee there will be considerable doubt in the minds of reasonable people on both sides of the house as to whether or not it is good policy to endorse this resolution. As I see it, if I vote in favour of this particular resolution I am

endorsing what the government has done. I tried to tell the committee, and I finally did what it had attempted to do. I submit in all sincerity that, on the record of what has taken place there and elsewhere, we ought to question whether it is a wise policy. Let me give an instance that they know about. Everybody is talking about this sort of thing, and this is what our people are restless about. An item involving some $22,000 was sold for about $2,000. It consisted of forms for building pavement. They would be just as good twenty-five years from now as they are to-day. Any contractor who knew they were to be sold or were for sale would have given, fifty, sixty or seventy per cent of the cost price. The only conclusion I can come to is that to which my constituents would come, namely, whether it is to be a wise policy to agree to this, and whether they are to be secured not only there but wherever there is a crown corporation, if those crown corporations are to continue operating as they have done in the past.

Mr. HOWE: The hon. member for Lambton West undertook to discuss a plant which cost $50 million, and which is regarded as one of the finest plants in the Dominion of Canada.

An hon. MEMBER: By whom?

Mr. HOWE: I shall leave that to any competent person in this country or in the United States. As a matter of fact it has a record in the industry of being the finest integrated operation that came out of the rubber expansion—

Mr. MURPHY: I said that half an hour ago.

Mr. HOWE: You made your speech. I will thank you very much to keep quiet for the next few minutes.

Mr. MURPHY: I said the same thing you did.

Mr. HOWE: As I say, the hon. gentleman started talking about that type of operation, and he got down to his own level very quickly, the level of the junk pile of construction material. Unfortunately, when a plant has to be built—

Some hon. MEMBERS: Oh, oh.

Mr. FRASER: I think the minister should withdraw that statement.

Mr. HOWE: I will withdraw nothing.

Mr. FERGUSON: Take a look at what he says.

Mr. HOWE: I can discuss my hon. friend who has just intervened and some of his war work any time he wishes, and would be very glad to do so. I have a few notes on this subject I shall be glad to make available.

Mr. SMITH (Calgary West): Now, don't be mad. Let's get on with it.

Mr. HOWE: All right. I have been engaged in war work now for five years; I have spent some twelve billion dollars of this government's money. This is the first occasion on which I have been accused on the floor of this house of dishonesty; and that is the charge to-night.

Some hon. MEMBERS: Oh no.

Mr. HOWE: That is the charge; dishonesty.

Mr. MACDONNELL (Muskoka-Ontario): Don't be silly; nobody accuses you of that.

Mr. HOWE: That is the charge absolutely; dishonesty, and my hon. friend will have a chance—

Mr. MURPHY: It is not personal dishonesty at all; I would not have any such intention. I wish the minister would believe that.

Mr. HOWE: It is dishonesty of myself or my staff.

Mr. SMITH (Calgary West): Nobody accused them.

Mr. HOWE: I will just take what the hon. member said and analyse it. Sit down and let me make my speech.

Mr. MURPHY: When the administration wastes money I do not say it is your fault. You cannot look after it all.

Mr. HOWE: I suppose my hon. friend was discussing to-night the disposal of the construction plant. A construction plant to build a $50,000,000 building costs a great deal of money. Expensive equipment must be brought in; bunkhouses must be built; temporary buildings must be erected for use during the construction of the project. Probably they are used for a year or, at the most, a year and a half; then they are disposed of. I have been in the construction business all my life, and I know the difference between the cost of construction articles when they go on the job and their value when they go off the job. However, my hon. friend will have a chance to explain all this to a select committee of this house; and the proper officers of my department will be there to cross-examine him on the subject, since he has made the charges. I think I shall venture to attend myself, because certainly we cannot allow the record of the Department of Munitions and Supply to be smeared as it is being smeared to-night.

Mr. SMITH (Calgary West): What do you want to do about it?

Mr. HOWE: I am going to discuss it, as my hon. friend discussed it a few moments ago. I am going to talk about it for a while, if I can have the attention of the committee. Be that as it may, perhaps I might deal with the reasonable part of my hon. friend's speech, brief though it was.

The hon. gentleman spoke of the fact that the Polymer Corporation is not liable for municipal taxes. That arises from a provision in the British North America Act whereby property of the crown is not taxable by provincial or municipal governments. The township knew that was the case when the industry located there. I received no objections from it at the time; in fact I had a very warm invitation to locate the plant in Sarnia, and we were very glad to do so because it seemed the reasonable point at which to establish the industry. The plant does pay for services; it pays a very substantial amount to the town of Sarnia and the township. My hon. friend mentioned $70,000 a year as a reasonable tax. Well, I believe the plant pays to the township or the city of Sarnia something like half that amount for services. But I would point out that, as a result of the government plant being constructed in its present location, private industry has located on adjoining property; and private industry is spending some five or six million dollars, with every prospect that this amount will be largely increased as the years go by. From the very nature of its operation, the Polymer plant will be the focal point of an organic chemical industry which uses the by-products of the Polymer operation. I think the town of Sarnia and the adjacent township will have no financial reason to regret that the Polymer Corporation has been established there.

An hon. MEMBER: They do not, either.

Mr. HOWE: I understand they do not, except the hon. member who represents them in the house. As far as the earnings of the corporation go, my hon. friend is quite correct in saying that the plant went into operation in 1944. In that year it obtained a total revenue of $9,664,000, while the cost of producing that material was $10,084,000, resulting in a loss on operations that year of $420,000; and there were pre-operation expenses which for the time being were capitalized. In 1945 the plant sold material valued at $29,460,000, and after $3,662,000 was set up as a replacement reserve the cost of material was $27,828,000.

[Mr. Howe.]

Mr. SMITH (Calgary West): To whom were the bulk of those sales made?

Mr. HOWE: To private industry; rubber companies in Canada.

Mr. SMITH (Calgary West): Private industry, in that year?

Mr. HOWE: Yes; in every year. So that after the reserve was set up the profit amounted to $1,632,000, and including the reserve the profit was $5,295,000. In 1946 the replacement reserve was set up in the amount of $2,706,000, and after that reserve the profit was $2,585,000, so that the total profit, including reserve, was $5,292,573.36. I spoke of the fact that $10,000,000 had been returned to the crown by the corporation out of the $50,000,000 advanced. The exact amount of balance in profit and loss, all on the side of profit, is $10,166,687.92, up to March 31, 1946.

Mr. MacNICOL: Was that profit on operations?

Mr. HOWE: Yes, on operations.

Mr. MacNICOL: You mean from the beginning?

Mr. HOWE: Yes, from the beginning. The balance sheet of the company as at March 31, 1946, showed assets as follows:

Current assets	$ 987,368 31
Inventories	4,689,580 66
Fixed assets	49,644,409 48
Prepaid expenses, etc	190,318 37
	$55,511,676 82

Then, on the liabilities side:

Current liabilities	$2,102,724 78
Reserves applying to inventory	1,449,785 47
Contingent liability	3,000,000 00
Share capital	32 00
Dominion of Canada advances	38,792,446 65
Surplus accounts	10,166,687 92
	$55,511,676 82

I might explain that the item of $3 million is a reserve set-up to cover a liability created in connection with the purchase of crude rubber prior to the fall of Singapore. The government had, at the time, outstanding contracts for crude rubber. It was purchased f.o.b. docks, Singapore, and at the fall of Singapore the question arose as to how much of that rubber would be delivered, and how much liability would be set up in Singapore for rubber which we would not receive. Originally the reserve was something more than $5 million, that being the peak value of the commitments in Singapore.

At this time the rubber has been largely delivered. Some of it came in during the war

years. Some came in ships riddled wtih gunfire, but still afloat. A surprising amount of it was received even after the fall of Singapore. But there still remained a considerable amount of rubber unaccounted for, and the $3 million was maintained on the books to cover the complete liquidation of those liabilities.

Recently, other shipments of rubber have arrived from warehouse stocks in Singapore, and we have now determined that the $3 million item is much in excess of the actual liability.

Mr. SMITH (Calgary West): Is that a matter of contract?

Mr. HOWE: Yes, contracts were outstanding for delivery of rubber in Singapore, and until the last of those contracts is liquidated we are maintaining the $3 million as a contingent reserve, rather than taking it into profit. However, by the next balance sheet I think the item will have disappeared and the amount of reserve will be taken into profit.

Mr. SMITH (Calgary West): Surely there can be no profit in that. However, I am happy about it. Do not worry.

Mr. STIRLING: Is this rubber that was captured by the Japanese not used by them, and now being delivered.

Mr. HOWE: I presume so, yes. It was rubber that was left on the docks at Singapore, or in warehouses at Singapore and Penang, in Japanese occupied territory. After the recapture of the territory the rubber was found intact, and sent on to its consignees.

Mr. STIRLING: Extraordinary.

Mr. HOWE: Yes. It did not arrive in the best of condition, but still we got a good deal of it.

Something has been said about the cost of synthetic rubber. The plant operates on a basis of first setting up a replacement reserve. In an operation of this kind, funds must be available to change processes and to keep the processes up to date. Recently, we have sold certain by-products. In order to make the maximum use of the by-products, we have had to instal additional equipment, and that is being paid for from the replacement reserve, quite properly, because that is the purpose of it.

Mr. SMITH (Calgary West): What percentage is set up, on an over-all basis, to take care of that?

Mr. HOWE: The reserve is different for different operations of the plant. There is a formula in existence, but I have not it here.

Mr. SMITH (Calgary West): Do not bother.

Mr. HOWE: The amount set up for that account in 1945 was to bring the reserve up to date from the commencement of operations. That amount was $3,662,000. I should think the amount set aside for 1946 would represent one full year, making an annual amount of $2,706,000.

Mr. SMITH (Calgary West): A reserve, covering what?

Mr. HOWE: A reserve set aside to cover replacements. I suppose in ordinary business you would call it a depreciation reserve.

Mr. MACDONNELL (Muskoka-Ontario): With regard to the item of $3,662,000, does that include interest charged on the amount?

Mr. HOWE: No, that is replacement reserve, as it is called here. Perhaps in other business it may be called a depreciation reserve. Interest on the investment is represented by the dividends to shareholders, which is all the money that is not required for the operation.

Mr. MACDONNELL (Muskoka-Ontario): Should we not regard part of that profit as something to be considered in lieu of interest.

Mr. HOWE: The profit belongs to the government, of course. The way this is set aside on the balance sheet is as follows: $6,369,000 depreciation reserve, or replacement reserve, whichever you wish to call it. This leaves $4 million for the two-year period as dividends to the owners of the common stock.

Mr. SMITH (Calgary West): Is the minister not confusing depreciation and amortization, and is he not leaving out interest on the capital invested? I am sorry to be so awfully technical, but I have been licked so often on these things in my business, that I am very careful. Would the minister try to differentiate between amortization and depreciation, and that thing my hon. friend from Muskoka-Ontario referred to, namely capital invested? Let us get down to two and two makes four—not five.

Mr. HOWE: From my slight understanding of corporation work, I believe amortization applies only to outstanding bonds. If you wish to get rid of them you amortize them.

Mr. SMITH (Calgary West): Amortization is applied when a plant is useless.

Mr. HOWE: I thought that was depreciation.

Mr. SMITH (Calgary West): No; you borrow money on bonds, and amortize against the end of the road. Depreciation is just the little

house you live in—but of course the minister lives in a big house. However, he understands me. Let us not be wrong about this.

Mr. HOWE: We did not borrow the money.

Mr. SMITH (Calgary West): No, because you had unlimited capital to spend. You never borrowed a dime.

Mr. HOWE: No, we did not borrow a dime. We got the appropriation from the consolidated revenue fund, or from whatever source such moneys come.

Mr. SMITH (Calgary West): I can think of a better word.

Mr. HOWE: And it is represented to-day by common stock. Common stock has this advantage, that there is no amortization. There are dividends, if you have the money; otherwise, everything goes on merrily.

Mr. STEWART (Winnipeg North): Is not depreciation deducted before you show operating profit?

Mr. HOWE: Yes.

Mr. SMITH (Calgary West): Well, there is one man who doesn't know what it is—but he asks the right question.

Mr. HOWE: And it is a good question. I referred to the fact that some $10 million of the $50 million had been returned to the government. Some of it has returned in the form of depreciation reserve, or replacement reserve, and the other is returned in profits. But it is all returned to the government. The bank account of Polymer is cleaned out every Saturday night. So that the government, instead of having $50 million outstanding at Polymer, according to its own books has only $40 million.

Mr. MACDONNELL (Muskoka-Ontario): This free and easy way of dealing with interest does not seem to work out with what the minister said this afternoon about the advantages of the accounting methods of crown companies. However, I am not going to deal with that at the moment. I have here the public accounts for 1945, and I find it a little difficult to understand the relationship between Polymer Corporation Limited and Polymer Sales and Service Limited, which apparently was formerly Fairmont Company Limited. I gather that their operations are closely allied and I should like the minister to explain the difference between the two.

Mr. HOWE: Back in 1939, at the commencement of the war, the Fairmont company was organized, I believe as the second crown company, to stock-pile rubber and silk, two commodities for which the government was dependent on foreign sources. Since it was impossible for private buyers to operate in the market, it was necessary for the government to take over the purchasing of all rubber and silk that were required for war purposes, or, in fact, for any purpose. The Fairmont company carried on its operations until 1943. At that time the Polymer Corporation was selling synthetic rubber and it seemed reasonable that that corporation should also take over the selling of crude rubber. Therefore, the name of the Fairmont company was changed to Polymer Sales and Service Limited.

Mr. SMITH (Calgary West): That was for crude rubber?

Mr. HOWE: Crude was purchased from the Fairmont company and also in the United States. Polymer Sales and Service Limited continued to sell all rubber, both crude and synthetic, that Canada used during that period.

Mr. MACDONNELL (Muskoka-Ontario): Does that mean that they sold the whole Polymer output?

Mr. HOWE: That is right. Later on, the activities in connection with crude rubber reached a low ebb because we had plenty of synthetic rubber available.

Mr. SMITH (Calgary West): What time would that be?

Mr. HOWE: June 30, 1945. As I say, activities in crude rubber practically came to an end, and it was thought reasonable to amalgamate Polymer Sales and Service Limited with Polymer Corporation Limited and make the corporation its own selling agency. The balance of $228,422.01, which represented the profits of the predecessor company, was paid into the treasury of Polymer Corporation Limited as a dividend, and Polymer Corporation Limited took over the physical assets and liabilities of the predecessor sales company.

Mr. MACDONNELL (Muskoka-Ontario): Was the sales corporation acting for Polymer and nobody else at the time it was taken over?

Mr. HOWE: It was the selling agency for all rubber bought in Canada. They sold the output of Polymer and they also bought crude rubber from other agencies, chiefly in the United States.

Mr. MACDONNELL (Muskoka-Ontario): That was right up to the time they were taken over?

Mr. HOWE: Yes. Even to-day Polymer buys crude rubber from outside sources and sells it to the trade.

Mr. SMITH (Calgary West): You have not mentioned reclaimed rubber?

Mr. HOWE: No.

Mr. SMITH (Calgary West): I may have something for you on that.

Mr. HOWE: At one stage, reclaimed rubber was important and came into quite general use as a substitute for other forms of rubber, but as soon as synthetic rubber came into free supply, the reclaimed became a drug on the market. Unfortunately we have some dumps of reclaimed rubber for which we can find no great market.

Mr. SMITH (Calgary West): Is that the kind that slips on the ice?

Mr. HOWE: I believe it is the synthetic.

Mr. MACDONNELL (Muskoka-Ontario): There are two or three points I cannot understand in the public accounts for 1945. Page MA-124 sets out the operating statement of Polymer Corporation Limited for the year ended March 31, 1945. It shows sales of some $29,460,000, and then certain deductions are made. Then, if you turn to page MA-128 you find the income and expenditure statement of Polymer Sales and Service Limited for the same period. In that statement the sales are shown as only $21,202,000. Are those figures subject to adjustment, because I think the minister said a moment ago that Polymer Sales acted for Polymer Corporation and other people as well?

Mr. HOWE: The reason for that is that Polymer Corporation sold its by-products, such as ethylene, to the Dow Chemical company. Polymer Sales handled only rubber, but its other products and processes were sold by Polymer.

Mr. MACDONNELL (Muskoka-Ontario): As I say, page MA-128 shows the sales of Polymer Sales as $21,202,000. This simplicity of crown companies which the minister talks about is not simple enough for me to understand readily these next two items, which are:

Surcharge income	$5,843,084 20
Stabilization income	4,627,561 72

Mr. HOWE: Stabilization income is the subsidy on crude rubber. Crude rubber cost between 45 and 50 cents a pound and it was sold at about 26 cents a pound.

Mr. MACDONNELL (Muskoka-Ontario): Does that mean that from another pocket we took $5,000,000 in order to help make this $10,000,000?

Mr. HOWE: No; it had nothing to do with the operations.

Mr. MACDONNELL (Muskoka-Ontario): Does it mean that the people of Canada donated $4,600,000 to create this stabilization income which found itself, through Polymer Sales Corporation, into Polymer Corporation Limited and helped to make the $10,000,000? Where did that money go?

Mr. HOWE: It did not channel in that way at all.

Mr. MACDONNELL (Muskoka-Ontario): Where did it find its way?

Mr. HOWE: It had to do with crude rubber sales and Polymer does not make crude rubber.

Mr. MACDONNELL (Muskoka-Ontario): Who put up the money?

Mr. HOWE: The government of Canada put it up to subsidize the price of crude rubber to the manufacturers of Canada and thus to the public.

Mr. MACDONNELL (Muskoka-Ontario): At what time was Polymer Sales and Service Limited taken over by Polymer, and at what time did these figures enter into the accounts of Polymer Corporation itself?

Mr. HOWE: June, 1945, but, as I explained before, there was no cash handed over from Polymer Sales. Polymer Sales made no profits out of its transactions. It simply paid what it had to pay and sold its product for the ceiling price, twenty-five cents. The subsidy paid by the government was not to help Polymer or anyone else except the user of the rubber.

Mr. MACDONNELL (Muskoka-Ontario): What about the surcharge income of $5,800,000?

Mr. HOWE: It is a charge of the same nature. It has nothing to do with Polymer. It is a balancing item in the accounts of Polymer Sales. The explanation given in the auditor general's report is as follows:

> This company (formerly Fairmont Company Limited) ceased business as of June 30, 1945. It acquired the stored crude and synthetic rubber and made sales thereof to manufacturers having contracts with the Crown for the production of war supplies, and to manufacturers engaged in essential civilian production.
>
> As stated in paragraph 252 of last year's report, stocks of rubber were revalued upwards in 1943 to the equivalent of current replacement prices, and an offsetting inventory appreciation reserve established. Order in council P.C. 5750 of July 20, 1943, authorized the company to collect surcharges (based on tire deliveries) from the Department of National Defence and other organizations, for the proportion of rubber going

into the production of war supplies, and also to collect from Commodity Prices Stabilization Corporation Limited amounts from time to time estimated for the loss incurred on the proportion of rubber going into the production of civilian goods.

It is clear to me, and I think I can make it clear to my hon. friend.

Mr. MACDONNELL (Muskoka-Ontario): That is not necessarily the same thing.

Mr. HOWE: My memory is perhaps helping me. I think I can explain it now. The Polymer Sales Corporation bought crude rubber where it could at the price it had to pay. It sold the rubber going into consumer goods at the ceiling price. The stabilization corporation objected to stabilizing rubber going into military goods. It said: We are responsible for the consumer but we are not responsible for the war, and therefore you must separate the crude rubber that goes into civilian goods from the crude rubber that goes into military uses. Therefore, after the total subsidy had been arrived at, it was divided into two items, one of which was paid by the stabilization corporation and the other by the Department of Munitions and Supply. One was called stabilization income, paid by the stabilization corporation, and the other was the war item, called surcharge income, which was paid by the Department of Munitions and Supply. But both covered the same item; that is, the difference between the purchase price of crude rubber and its sale at the ceiling price.

Mr. MACDONNELL (Muskoka-Ontario): The minister has made it clear about the $10,000,000 profit that we had by virtue of regarding ourselves as shareholders. Nevertheless, when you are looking at it from an accounting point of view, it would have been better to charge yourself some interest on your investment. But let that pass. Do I understand that what is shown here as sold in 1945, totalling $29,000,000, was the total output of Polymer? The minister said something about that being sold to the public or to the trade, or did I misunderstand him? Was that the total output?

Mr. HOWE: The $29,000,000 is the sales of rubber and other commodities for the year ended March 31, 1945.

Mr. MACDONNELL (Muskoka-Ontario): Was that the total output for that year?

Mr. HOWE: Yes.

Mr. MACDONNELL (Muskoka-Ontario): And that was the total income of Polymer for that year?

[Mr. Howe.]

Mr. HOWE: The sales were as follows:

Buna S rubber	$25,512,044 09
Butyl rubber	2,606,883 60
Ethylbenzene	789,699 08
Cumene	551,106 96

Mr. MACDONNELL (Muskoka-Ontario): How was the price arrived at?

Mr. HOWE: Buna S was sold at the ceiling price which was established for that commodity.

Mr. MACDONNELL (Muskoka-Ontario): How was it established?

Mr. HOWE: By the wartime prices and trade board. It was the same price at which it sold in the United States, 20½ cents. That was the ceiling fixed for synthetic rubber as against a 25-cent ceiling for natural rubber.

Mr. MACDONNELL (Muskoka-Ontario): Was that fixed for this large volume or for smaller amounts?

Mr. HOWE: That was the price fixed to the manufacturer.

Mr. STEWART (Winnipeg North): I think the minister can have a rest for a few minutes while I say something to our Tory colleagues. The level of debate in this house is usually fairly decent, even although it is quite frequently dull. When it gets indecent, as when a discussion takes place on the Japanese, for instance—

Mr. SMITH (Calgary West): On a point of order, Mr. Chairman—

Mr. STEWART (Winnipeg North): There is no point of order involved.

Mr. SMITH (Calgary West): Will you allow the Chairman to decide?

Mr. STEWART (Winnipeg North): Will you please sit down.

Mr. SMITH (Calgary West): You are big but you are very much annoyed. I suggest, Mr. Chairman, that the Japanese have nothing to do with this subject.

The ACTING CHAIRMAN (Mr. Golding): That is quite right.

Mr. SMITH (Calgary West): You see I was right.

Mr. STEWART (Winnipeg North): The hon. member for Lambton West to-night made an insinuation, which I think was wretched and cowardly, against a group of people in this country, and that, following upon the protestations for civil rights and appeals for liberty which come from the Tory party enables us to judge how much sincerity there is in them.

Mr. SMITH (Calgary West): Mr. Chairman, the hon. member referred to a statement made by the hon. member for Lambton West as cowardly. Let him take it back if he has the guts he has for his size.

The ACTING CHAIRMAN (Mr. Golding): I hope the hon. member for Calgary West will take back the remark he has just made.

Mr. SMITH (Calgary West): I certainly will. Let him join me.

The ACTING CHAIRMAN (Mr. Golding): Thank you.

Mr. FLEMING: If I am correctly informed, Mr. Chairman, the word "cowardly" is entirely unparliamentary and must be withdrawn. No member of the house is entitled to use that word of another member under any circumstances.

The ACTING CHAIRMAN (Mr. Golding): I ask the hon. member to withdraw it.

Mr. STEWART (Winnipeg North): In deference to your ruling, Mr. Chairman, I withdraw the word but you know what I mean.

Mr. JACKMAN: The hon. member must retract without any qualifications whatever.

Mr. STEWART (Winnipeg North): The Chairman will decide whether I am in order or not.

The ACTING CHAIRMAN (Mr. Golding): The hon. member must withdraw the word "cowardly".

Mr. STEWART (Winnipeg North): Very well, Mr. Chairman, I do. Something has been heard in this house about the iniquities of the government, and I have no doubt they are plentiful, in allegedly selling materials at very low prices. But there are two parties to every sale, the seller and the buyer, and be it noted that those who are doing the buying from the government are the same private enterprisers of whom the Tories are so proud. They are the ones who are getting the benefit of it. They are the ones who are getting all the gravy, and there is a lot of it going.

Another statement made was that the balance sheet of Polymer was uncommunicative. I think that is true. There is no question of its being rather uncommunicative, but it is not more so than the balance sheet of any other commercial organization that I have seen, and I do not think that is an unduly strong lash to use against the government. I would say to the minister, much as I admire his undoubted ability, that there are nevertheless times when he makes statements that are not altogether borne out by the facts. On March 23, 1944, he made this statement:

I do not favour cartels. I believe that the cartel is a relic of the past that is rapidly disappearing. I wholly agree with its disappearance. I believe that the disappearance of the cartel will be a benefit to industry as a whole. Canada has been singularly free from cartels.

That is surely an imaginative statement in view of this report of the commissioner under the Combines Investigation Act in regard to international cartels. The contents of the pamphlet are, in part:

1. Examples of cartel arrangements affecting Canadian import commodities.
Fertilizers: Potash, Nitrogen, Phosphorus
Tanning materials: Quebracho
Flat glass
Sulphur
Dyestuffs
Tools—Cemented Tungsten Carbide
Magnesia Refractories
Titanium Pigments

2. Examples of cartel arrangements restricting Canadian manufacturers to home market on exclusive basis
Chemicals
Soda Ash
Electric Lamps
Radio Tubes and Sets
Matches

3. Examples of cartel arrangements involving participation by Canadian exporters
Base Metals: Copper, Lead, Zinc, Nickel
Steel
Aluminum
Acetic Acid
Radium
Newsprint

In the course of his speech when he introduced this resolution the minister said, as reported at page 1517 of *Hansard*:

I have yet to hear any businessman suggest it was not a good thing for Canadian business to have Canada's only source of rubber in the hands of the government, rather than in the hands of a private corporation.

I find myself in complete agreement with him on that statement, but why does he restrict himself to rubber alone? Are there not other materials equally necessary and valuable to Canada apart from rubber? One of them, one with which the government has had something to do, is magnesium. Although I support the principle of the resolution, I submit that the government ought to go farther in this matter of crown companies and take under its aegis or its wing those corporations which are dealing in a monopolistic way with materials that are vital to the welfare of Canada, one of which, as I have said, is magnesium. The history of this metal is interesting. At the end of the last war it cost $5 a pound in the United States and there were

eight competing companies. Two years afterwards, there were only two competitors, one being the American Magnesium Corporation, a subsidiary of Aluminum Corporation, which I shall call Alcoa, and the other was the Dow Chemical company. For a number of years these two corporations were apparently in competition because the price fell to fifty-five cents a pound in 1927. Then the American Magnesium Corporation and the Dow Chemical company came to an agreement whereby they were going to split the market and sell the material on a certain basis at a certain price agreed to between themselves. One of the reasons for that was that the aluminum monopoly feared competition. It had invested millions of dollars in bauxite and did not want that investment imperiled by this new light metal, magnesium. The Department of Justice, as a matter of fact, ruled that the companies had agreed to keep the price of magnesium one-third higher than the price of aluminum, and in this connection I would quote from "Patents for Hitler" by Guenter Reimann, who, in turn, quotes Norman M. Little, assistant United States attorney-general, who made the following statement in a lecture delivered before the Indiana state bar association:

> And so it is with a productive capacity in the aluminum industry inadequate to meet the numerous demands of the expanding airplane industry, we are also simultaneously confronted with a limited capacity for the manufacture of magnesium, the only competing metal! This is all the more appalling when it is realized that of the sources for magnesium, brine deposits and magnesite are plentiful in this country.

In Germany the nazis had realized to the full the value of magnesium. The price was exactly the same as that for aluminum, and realizing its value, the Germans in 1931 came to an agreement with Alcoa whereby the patents of Alcoa were pooled with the I. G. Farben company and there was formed the Magnesium Development company. That organization was formed, not for purposes of production, but with the object of holding patents. The only company which was granted a licence was the Dow Chemical company, and by special agreement production was limited. This, again, was private enterprise at work, ensuring for themselves the maximum profits, no matter what the danger was to the country.

Mr. SMITH (Calgary West): Will the hon. gentleman please tell me what he is quoting from?

Mr. STEWART (Winnipeg North): I was quoting from the Truman report in the United States on the patent inquiry before the senate.

[Mr. Stewart.]

Mr. SMITH (Calgary West): Just what are you saying and just what does the report say?

Mr. STEWART (Winnipeg North): The facts I am giving are taken from the Truman report. It will probably be found in the library.

Mr. SMITH (Calgary West): Do not use the word "facts". You are quoting opinions.

The ACTING CHAIRMAN (Mr. Golding): Order.

Mr. STEWART (Winnipeg North): The result of that policy was that at the beginning of the war German production exceeded United States production by ten times. The value of this metal is obvious when one considers that aluminum is a third as heavy as steel and magnesium half as heavy as aluminum. The government apparently decided that this was a necessary and vital metal for the war effort and started a plant at Haley's Station, and last year as will be found in sessional paper 241, I asked certain questions. I quote:

> Was a new process for producing magnesium developed at the national research council? If so, who was responsible for this development?

The answer I received was:

> An old process for the production of metallic magnesium was investigated by a private group and funds were provided by the group to have the process tested at the national research council laboratories. A small pilot plant was set up and out of this came improvements that were applied in the construction of the commercial plant. The work was done under the direction of Doctor Lloyd Pidgeon of the national research council staff and became known as the Pidgeon process.

I next asked:

> Was a crown company formed to exploit this development in Canada?

The answer was:

> No. Dominion Magnesium Limited was formed by the original group of parties interested and acquired a deposit of dolomite near Haley's Station, Ontario, in an area where power was available.
>
> After investigation of the cost of the erection of a plant to produce magnesium in Canada, the capital cost for the required production rate was found to be lowest by using the Pidgeon process so the minister of the Department of Munitions and Supply entered into an agreement with the Dominion Magnesium Limited to design, construct and operate a plant on the property near Haley's Station, Ontario. The supervision of the work was carried out under Wartime Metals Corporation starting in April, 1942.

The cost of the plant to the dominion government to produce this material was $3,464,102.15. Afterwards, we got rid of it to this company for $1,400,000. I am going to suggest to the minister that he consider very

seriously the advisability of taking this plant over again on the basis that what it is producing is vital for Canada, not only in war time but also in peace time, and also in view of the fact that there is no guarantee at all that the new company will not enter into some cartel arrangements with foreign countries to the detriment of Canadian trade.

In the *Financial Post* of May 18 it is stated that a new marketing agreement has been completed by the company with Swedish interests and that a similar agreement is in process of being completed shortly with interests in Belgium. The wording may be unfortunate, but at least it smacks too much of the cartel arrangements which have been made in the past.

Now a word about the Aluminum Corporation, which is also another monopoly in this country and which, therefore, should be government-owned and controlled. A debate has already been held in this house on more than one occasion when the charge was made that aluminum was a monopoly. I believe there was an investigation into the matter by a committee, and the committee tried to whitewash the corporation. They did not succeed. The United States department of justice showed that it was a monopoly, and so it is. The danger of monopoly is that the men who run it are more interested in making profits for themselves than in looking after the interests of the country. That, I think, can be easily seen from the senate inquiry in the United States. Again I quote, and this time Mr. Thurman Arnold, who appeared before the patents committee where he was asked some questions about Alcoa's monopoly. The charge had been made that when this great monopolistic corporation knew processes had been discovered which threatened to impair the capital of the company, it had bought the processes and filed them away, thus not making them available for the benefit of the nation as a whole.

Thurman Arnold stated:

> To Alcoa's monopoly, the use of the processes covered by those patents would have been disastrous, for its monopoly is basically a monopoly control of bauxite resources; its control of processing and fabricating facilities would have been much easier for a competitor to challenge. As a result, when a potential competitor appeared in this country with the Haglund patents for making aluminum from something besides bauxite they finally reached an agreement with him on a very remunerative basis. He received, I believe, about a million dollars and employment as a consultant at a fancy figure. The process never went into production; and Alcoa only recently was referring to the processes as "experimental," although we are informed that Italy has had them in production since 1928.

To add further to the patriotism of these great monopolies I would call to the attention of the committee the case of Mr. Arthur Bunker, who was the chief of the aluminum and magnesium section of the OPM, one of the dollar-a-year men. It was his task to preside over this section and, although the United States government provided funds for financing new plants, there was extraordinary difficulty in getting these funds used. Protests were made continually to the government that no additional aluminum plants were made because the same Mr. Arthur Bunker who was getting a dollar a year from the government was also getting $60,000 a year from the Lehman Corporation, which had a large investment in aluminum shares. These are only two examples of monopoly in this country which ought to come under government control, and I can think of no better method than that of the crown corporation. May I commend that to the attention of the minister, especially in view of his statement which I again repeat:

> I have yet to hear any businessman suggest it was not a good thing for Canadian business to have Canada's only source of rubber in the hands of the government, rather than in the hands of a private corporation.

If that is good for one monopoly it is good for others.

Mr. HANSELL: I have listened with some interest to the previous speaker's talk on this resolution. I was particularly interested in the challenge thrown out by the hon. member for Calgary West to the hon. member for Winnipeg North. I thought immediately of going to the lobby and standing on the sidelines—

Mr. STEWART (Winnipeg North): I would have put him to bed.

Mr. HANSELL: However, I was also interested in the speech of the hon. member for Winnipeg North, because in my imagination I saw another scene. I almost saw him going over to the Minister of Reconstruction and Supply, putting his arms around him in brotherly fashion and beginning to sing with him: "Hail, hail, the gang's all here".

Mr. STEWART (Winnipeg North): If the minister takes my advice I will do it.

Mr. HANSELL: It might be all right.

Personally I cannot work up any enthusiasm over this resolution, which calls for a measure which will form the basis for the organization of all crown companies. I suppose the minister has in mind the three large companies which have been mentioned previously. Nevertheless the legislation does

provide the basis upon which all crown companies could be incorporated. I am not going to go into the details such as the sale and purchase of equipment, the prices paid, and all that sort of thing. I should like to deal with the matter from a more general point of view. I should like to touch upon the principle. It seems to me that the big principle is, generally speaking, do we favour the government going into business? I am quite prepared to say that times and circumstances may arise when it is wise for the government to do business and to set up a crown corporation, but I am never enthusiastic about it. I cannot see much difference between that and what is generally accepted as being the philosophy of socialism. There may be a difference but I am sorry I cannot see it.

An hon. MEMBER: What about the Alberta bank?

Mr. HANSELL: All these questions can be asked, but for myself I am saying that I cannot work up any particular enthusiasm about government going into business, and I do not care what government it is. Of course there is some little excuse for the government to be in business in time of war. That is a time of emergency when certain freedoms have to give way to a type of regimentation, a type of control, because there is a specific job to be done. I am going to compliment the minister; I think I can do that without going too far as a member of the opposition, in saying that during the war he did a fair job in bringing this country into the full-time productive effort that was required. But since the war has ended some of us have been looking for some of these controls to be loosened up a little and dropped off. Sometimes I wonder if the minister has not just a little bit of a mania for wanting a finger in a great many pies. Whether he has or not, I do not know, but I do not want him or any minister to become a sort of czar of government business.

Sometimes these government corporations start quite innocently. Their intentions are good. I might refer to the Canadian Broadcasting Corporation which was innocently brought into existence to see that the Canadian public got good radio free from abuses, and so on. But over the years that corporation has gradually taken to itself tremendous authority, and has practically become a radio monopoly in Canada. I deplore that.

There is something else with respect to government corporations, and it is this. They do not necessarily have to operate at a profit; they can operate at a loss. Let us recognize that. Let no one say that I am in favour of exorbitant profiteering, but government corporations do not have to operate efficiently by reason of the fact that they must make both ends meet. If they do not; if they show a loss, the government can say, "Well, we always have the taxpayer to rely upon to make up any deficiencies," so the public pays just the same. I believe that in the minds of the Canadian people to-day there exists a desire gradually to do away with controls. The present administration may put on a bold front and say, "Gradually we are going to do away with these controls." But if, in place of these controls, they set up huge government corporations with power to regulate business, then the effect of controls is there just the same. I need only refer again, as an example, to the Canadian Broadcasting Corporation. It is supposed to be in the competitive field of radio; yet it makes the rules and regulations. By reason of special authority given to it under the act, it controls radio in Canada; and no fooling. There is nothing to say that ultimately any government corporation cannot do the same thing in its own line of business. I believe in private enterprise.

Mr. MacNICOL: That is good commonsense.

Mr. HANSELL: I think it is, and I like to be a good commonsense man. I do not believe private enterprise has any right to license. I believe there is a place where, by legislation rather than controls, by law, private enterprise can be governed according to statute. I believe private business itself should be alarmed at the trend of things to-day in this country and in the world. It is all very well to say that we must have government corporations to combat monopolies; but, generally speaking, when government corporations come into existence they become monopolies, and monopolies under the state. Private business has need to be alarmed at that trend.

I am going to suggest, too, that labour should be alarmed. Perhaps on the face of it that may sound strange, but the more the government goes into business, the less freedom labour will have. Let them recognize that.

Mr. MacNICOL: And the less labour.

Mr. HANSELL: Yes, perhaps there is something in that, too; less labour. Instead of dealing with local management as labour can to-day, it will have to deal with all-powerful governments. There is a place where the Canadian people can lose their freedom even

in what might appear to be a type of legitimate business, if that business is government owned and operated.

I am going to advance one further thought, because I believe that government in business affects parliament in the sense that parliament has been regarded as a legislative body. Members of parliament have been regarded as legislators. But it seems to me that parliament has become and is more and more becoming an administrative body, and that, instead of members being legislators, they are fast becoming government agents. I mention this because some great man said that country is governed best that is governed least. Someone might remind me who made that statement.

Mr. JACKMAN: Burke.

Mr. HANSELL: It is a pretty good saying, whoever said it. The more government goes into business, the more legislators become agents and, if they are on the government side, apologists for what the government is doing, while if they are on the opposition side they become perhaps business critics, when we should be laying a legislative foundation upon which business, people and the country itself can be free and enjoy the liberties of mankind that our democracy, if it is effective at all, can offer the country. I think we are all cognizant of the fact that parliament is beginning to fall into disrepute in this country. The public are beginning to feel that we are dilly-dallying. The public are beginning to feel that we are dealing with a lot of non-essentials, trivial things, when there are such big issues in the world to deal with. I say that because I believe that the more the government go into business, the more critical we have to be of the dollars and cents they may spend, or the amount they may make here, or the individual who may be employed here, or the authority given to somebody over there. To my mind, it is all a matter of private and individual liberty.

Let us be legislators, creating a legislative foundation upon which the country can build a real, effective and free democracy, where the people themselves will enjoy to the fullest extent all that Canada can offer them.

I cannot work up any great enthusiasm for the measure, because I do not know where it will lead us. I do not agree with the principle of the government in business.

Mr. HOWE: I would remind the hon. member that the Liberal government is at least working in his direction. A year ago we had thirty-one crown companies. At present we have liquidated eighteen and are in process of liquidating eight more. In a short time we will have reduced crown companies thirty-one to five. So that we are at least working in his direction.

Mr. HANSELL: May I ask a question—and I have just now reached the question period. I was not in the chamber when the discussion on the resolution took place. However, I must ask this question: Why is this measure necessary? We now have three companies, and I believe they are operating. In respect of other corporations, we have specific acts as a result of which those corporations have been brought into existence, and upon which they operate.

They operate according to their particular law. For instance, there is the act affecting the Canadian Broadcasting Corporation, and another act for railways. Why do we have this one?

Mr. HOWE: These are companies under part I of the Dominion Companies Act. They were established under the War Measures Act, and financed from war appropriations. They are being given power here to carry on under the provisions of the Dominion Companies Act, by a special appropriation from parliament, if necessary. We are simply giving them a status which they have not, except through war legislation.

Mr. FLEMING: I should like to ask the minister some questions. Perhaps I might follow the procedure I followed this afternoon, namely, that of putting my questions individually and thereby facilitating the answering of them.

Is it correct to infer from the minister's remarks that this measure is intended to be of general application? It will not simply specify the five companies or corporatioins which the minister has referred to as being likely to continue in existence for some time?

Mr. HOWE: It is of general application. The terms of the bill to be founded on the resolution refer only to the organization and financing of the companies.

Mr. FLEMING: Are the terms such that the bill is capable of application to corporations hereafter created?

Mr. HOWE: Yes. It does not contain power to create new companies, but its terms could apply to companies created subsequently.

Mr. FLEMING: Will it make these corporations liable to be sued and entitled to sue?

Mr. HOWE: Yes.

Mr. FLEMING: Like any ordinary corporation?

Mr. HOWE: Yes.

Mr. FLEMING: Will it make provision for submission to municipal taxation in the form which this house approved last year in connection with the Central Mortgage and Housing Corporation? I am referring to municipal taxation. I think we are all agreed that there is no power on the part of a municipality to levy taxes against property owned by the crown in the right of the dominion. But we have the precedent set out in section 30 (2) of the Central Mortgage and Housing Corporation Act, chapter 15 of the statutes for 1945, which provides:

> Where title to real or immovable property becomes vested in the name of the corporation or of His Majesty, whether alone or jointly with any other person, in consequence of foreclosure or other proceedings taken in respect of a mortgage assigned to the corporation or to which His Majesty is a party under the housing acts, the corporation may pay to a municipal or other taxing authority an amount equivalent to the taxes which might be levied in respect of the said property or of the interest of the corporation or of His Majesty therein by the said authority if the said property or interest were not so vested, and may enter into such agreements as may be necessary to give effect to the provisions of the subsection.

Will this bill make such provision?

Mr. HOWE: I scarcely think such provision would apply. That provision is one where a corporation holds a mortgage on a property, and later has to take possession. In such event it can continue to pay taxes. But I think that would scarcely help any corporation the government might establish.

Mr. FLEMING: It goes farther than that. That is only the aspect of the Central Housing and Mortgage Corporation which has to do with mortgage business. The other portion has to do with the acquisition of land for housing purposes. It puts the corporation in precisely the same position in respect of taxation by a municipal corporation, or other taxing authority.

Mr. HOWE: I have read the section carefully, and I can only find reference to property acquired by foreclosure.

Mr. FLEMING: I take it that the minister's answer is that the bill will not contain a comparable provision with respect to taxation by municipal or other taxing authorities?

Mr. HOWE: No; an amendment to the British North America Act would be necessary before such a provision could be inserted.

Mr. FLEMING: It is because of the provisions of the British North America Act that the word "may" was used in the section I read. This matter was discussed in connection with the bill setting up the Central Housing and Mortgage Corporation, and I cannot see any distinction in principle. If it is proper that the Central Housing and Mortgage Corporation in respect of land owned by it should submit to municipal taxation through legislation in this form, then I do not see why a similar provision should not be written into a bill of this kind which affects other crown corporations. However, the minister has indicated that that is not so.

When the resolution was before the committee on the last occasion the minister indicated, as will be found at page 1512 of *Hansard,* that he would be willing to table financial statements of any of these corporations which are to be continued. Will he be good enough to submit to the committee the financial statements of Wartime Housing Limited and Research Enterprises Limited? Those are two in which I am particularly interested.

Mr. HOWE: All the balance sheets are published in the public accounts for the fiscal year ended March 31, 1945.

Mr. FLEMING: I have seen the public accounts, but I take it that when the minister made his offer he meant that he was prepared to bring before the committee a financial statement that was completely up to date in in each case. The information contained in the public accounts is now fourteen months old.

Mr. HOWE: I have statements which have been furnished me, but unfortunately they have not been audited. I would be glad to give the information contained therein, but I would hesitate to table as a financial statement anything that the auditor general has not had an opportunity to audit.

Mr. FLEMING: Probably the minister would make them open to inspection by members?

Mr. HOWE: Certainly.

Mr. FLEMING: This afternoon reference was made by the minister to the desirability of referring the annual statements of crown corporations to a standing committee of the house. Does he propose to provide in the bill that these statements shall be tabled in parliament? Will he indicate also whether the government intends to take steps either to set up a committee to review these statements or to clothe some standing committee with power to do so?

Mr. HOWE: It would hardly be appropriate for me to instruct parliament as to what it should do with a report or with a bill. Any

member of parliament can ask that a bill be referred to a committee of the house. I have suggested that I thought it would be appropriate to refer these statements of crown companies to a committee. At the present time they are referred to the war expenditures committee, and I suggested that perhaps an appropriate committee would be the committee on railways and shipping, government owned. I would welcome any suggestion from hon. members as to an appropriate committee.

Mr. FLEMING: There is a point which arises out of the statement appearing in the press to-day concerning the new order issued by the government, under which control of Wartime Housing Limited and veterans housing will be lodged in the Central Mortgage and Housing Corporation. Will the minister indicate what bearing this will have upon the operations of Wartime Housing Limited, because that is a crown corporation to which the minister has referred several times during the course of the deliberations on this resolution. He indicated that this corporation would probably carry on for two or three years, but that it was not intended to be carried on indefinitely.

Mr. HOWE: I think my hon. friend has answered himself. The company is brought under the aegis of Central Mortgage and Housing Corporation. Eventually, when it becomes purely an administrative company, its functions will be merged with those of Central Mortgage and Housing Corporation. While it remains a building company, it will continue to operate as a separate identity and will, perhaps, absorb some of the work at present being carried on by other building agencies of the government. For example, it will probably be the contractor for emergency housing, which now functions under the control of the Central Mortgage and Housing Corporation.

Mr. FLEMING: Does the government contemplate introducing further legislation along that line which would define the relationship of Wartime Housing Limited to Central Mortgage and Housing Corporation, or of the minister's department to Central Mortgage and Housing Corporation? Under the 1945 legislation which set up the Central Mortgage and Housing Corporation, the corporation was placed under the administration of the Minister of Finance, but by an order in council passed a month ago it was transferred to the Minister of Reconstruction and Supply. Is it the intention of the government to introduce legislation in that respect at this session?

Mr. HOWE: Consideration is being given to certain amendments to the Central Mortgage and Housing Corporation Act.

Mr. FLEMING: At this session?

Mr. HOWE: Yes.

Mr. SMITH (Calgary West): I wish to ask two or three questions which perhaps might better be defined as suggestions. In the meantime I cannot overlook the amazing support given to the principle of this bill, in which I join, by my hon. friends over here. I had occasion to say last fall that they are anxious for the socialization of everything, and they are in great support of the minister on this particular occasion. I noticed they put in their oar and then immediately went away because no doubt they had more important things to do than listen to the minister's answers.

My first problem, my first question and my first suggestion is this: When the minister considers creating a crown corporation will he not consider bringing it within the orbit of a separate bill? He has suggested three corporations, Polymer, Eldorado and Arsenals. I know the minister will realize that I am not attributing anything wrong to him because, from the best information I get, he is going to leave the government on October 31. I cannot see any connection in discussion between Polymer, Arsenals and Eldorado. I know that any schoolteacher would immediately say to me, "Are you so dumb that you cannot separate those things in argument?" I confess that I am that dumb. What I have in mind is that once we get a bill which generalizes about crown corporations it is a very simple thing to bring in a little amendment for one or two more or, as the minister said to-day, maybe twenty.

Mr. HOWE: We had thirty-one at one time. We are cutting them down to five, and I do not think it will ever be any more than five.

Mr. SMITH (Calgary West): But you said it might be twenty. There are some wonderful expressions of speech such as hyperbole and literative harmony. I do not know what that last one means, and I am inclined to think my schoolteacher friend over here who accuses us of not being farmers will know exactly what that figure of speech means.

Mr. STEWART (Winnipeg North): You had all of nine to vote for your amendment.

Mr. SMITH (Calgary West): I am just going to say a word or two to the hon. gentleman for Winnipeg North, and I use the word "gentleman" advisedly because he is a very good friend of mine, who last spoke. His position is this: He will go anywhere with anybody who will create socialism. He recog-

nizes us in this group as his enemies. God bless them; let him keep on thinking that because, for the first time in his life, he is right. He is one of those theorists, one of those people who know all about architecture but who have never built anything. He is one of those persons who know all about bridges but never did anything but swim under them. So that I thoroughly understand his position. Nevertheless he is one of the most delightful men this House of Commons ever saw, because he has such wonderful idealism. It is an amazing thing that he has never run up against a few practical facts.

May I suggest to the minister that in bringing in bills or resolutions for the formation of crown companies he bring in one at a time? I am all for the principle of the research council spreading its wings and doing a great deal, but why cannot we deal with one thing at a time? I and my hon. friends to my left differ fundamentally on the principle of doing business. I believe in a principle. I believe in the research council. I believe in its expansion, but I cannot understand why the minister should suggest that blanket authority be given to the research council to form corporations. The minister mentioned one thing. He said, with respect to patents owned by the corporation, that they should be sold at the price the market would bear, and I go with him. But why you should require a corporation to do that business is utterly beyond me. Will the minister not now say what things he wants corporate authority for? If you have a patent to sell you can put an ad in the newspapers and ask for tenders. You do not need a corporation to do that simple thing.

Let me make a comparison between these crown companies and the Canadian Broadcasting Corporation, which is also a crown company. I tried for several days in the house to find out whether the broadcasting corporation had bought one and a half million dollars of equipment. I tried to find out whether they intended to take over certain wave lengths belonging to three stations, one in Toronto, one in Winnipeg and one in Calgary. I was stupid, if you will, but I was persistent, as most stupid people are, and the Minister of National Revenue, who is not in his seat to-night—told me that he did not know whether these things had been done or not. I then asked the parliamentary assistant to the Minister of Reconstruction and Supply, and he told me that he would accept my question as a notice. Of course I knew they had sent out word a month before to these stations that they were going to take over their wave lengths. Why could we not have been told that in the House of Commons? It is easy to say that these corporations can be reviewed before the House of Commons, but let us see just what can happen. The act setting up the Canadian Broadcasting Corporation provides that the corporation may not spend more than $10,000 without the approval of council and that they may not order anything costing over $10,000 without the approval of council—but we now learn that they have ordered material to a value of $1,500,000.

Do not let anyone think I am suggesting for a moment that the gentlemen who are put in charge of these corporations are not honest. Let us admit that they are, but power begets power. I am going to say something about the Minister of Reconstruction and Supply which I hope he will accept as a compliment. There is a chap named Petrillo in the United States who looks after musicians and they are going to pay him $400 a week for what? For one hour's work a week. The Minister of Reconstruction and Supply and Petrillo are both drunk with power. So do not let these corporations get away from us. I think the Minister of Reconstruction and Supply is the most honourable man I know, but Petrillo is a rotter and a crook. I am not comparing them in that way at all because they are as the poles apart.

An hon. MEMBER: Eleven o'clock.

Mr. HOWE: Mr. Chairman, we have spent all day on this, and it is only a resolution. We shall have an opportunity to cover the whole ground on the bill. I wonder if the committee would agree to allowing the resolution to pass now to round out a day's work.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce bill No. 155, respecting the operation of government companies.

Motion agreed to and bill read the first time.

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

Tuesday, May 28, 1946.

The house met at three o'clock.

THE ROYAL ASSENT

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

Government House,
Ottawa, May 28, 1946.

Sir:—I have the honour to inform you that the Hon. Thibaudeau Rinfret, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate

chamber on Tuesday, May 28, at 5.50 p.m., for the purpose of giving the royal assent to certain bills.

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

REPORTS OF COMMITTEES

RADIO BROADCASTING—CONCURRENCE IN FIRST REPORT

Mr. RALPH MAYBANK (Winnipeg South Centre) presented the first report of the special committee on radio broadcasting, and moved that the report be concurred in.

Motion agreed to.

PRIVILEGE

REFERENCE TO STATEMENT OF LORD INVERCHAPEL AT HALIFAX ON MAY 27

Mr. BONA ARSENAULT (Bonaventure): Mr. Speaker, I rise to a question of privilege. Assuming the fact that strangers to this country, occupying high places, should not take advantage of the prestige attached to their name or to their situation to try to influence members of this House of Commons or of a committee of this house on a decision pertaining to Canadian problems now under study, I wish to protest against the statement made yesterday in Halifax by the newly appointed British Ambassador to Washington, Lord Inverchapel, who expressed his preference as to the choice of a national flag for Canada.

Owing to the nature of his statement, and of the reflection it may bear on some of the members of the flag committee, which is sitting this afternoon at four o'clock, I definitely object to this very untimely intervention in such a controversial matter which concerns Canadians and Canadians only.

An hon. MEMBER: He should mind his own business.

THE KING'S BIRTHDAY

ANNOUNCEMENT OF PROCLAMATION FIXING MONDAY, JUNE 10

Hon. PAUL MARTIN (Secretary of State): Mr. Speaker, the Interpretation Act, the Bills of Exchange Act and the Civil Service Act provide that the king's birthday, or the day fixed by proclamation for the celebration of the birthday of the reigning sovereign, shall be a public holiday under these statutes. The actual date of His Majesty's birthday is December 14, but since his accession, the king, recognizing that the actual date is an inconvenient one, as it is only eleven days before Christmas, has been graciously pleased to approve the celebration of his birthday in the month of June. Accordingly, with the approval of His Majesty, a proclamation is being isued fixing Monday, June 10, as the date appointed for the celebration of His Majesty's birthday in Canada in 1946.

QUEBEC BOUNDARIES EXTENSION

REPEAL OF PROVISION EXCLUDING, FOR PURPOSES OF REDISTRIBUTION, POPULATION OF ADDED AREAS

Right Hon. L. S. ST. LAURENT (Minister of Justice) moved for leave to introduce bill No. 156, to amend the Quebec Boundaries Extension Act, 1912.

Some hon. MEMBERS: Explain.

Mr. ST. LAURENT: Mr. Speaker, this bill is an incident of the comprehensive proposals concerning redistribution expressed in the resolution standing on the order paper to-day in the name of the Prime Minister. In 1912 parliament provided for the extension of the boundaries of Quebec, Ontario and Manitoba to take in northern portions. In the bill providing for the extension of the boundaries of Quebec it was provided that the population of the new territory would not be counted for the purpose of ascertaining the number to be divided by sixty-five to determine the unit of representation of the other provinces in the Canadian parliament. Under the proposal expressed in the resolution on the order paper it is suggested that hereafter the unit of population for purposes of representation shall no longer be the population of Quebec divided by sixty-five but the population of all the provinces of Canada divided by 254 or such lesser number as may be arrived at after providing for provinces where representation will be determined by the number of senators they have in the other house.

As a part of the scheme envisaged by the resolution, these conditions which were inserted in the statute annexing to Quebec the northern territory commonly known as Ungava, will become purposeless. This statute of 1912 had provided that it would come into operation only by proclamation, and would not be proclaimed until there had been concurrent legislation by the legislature of Quebec, and this bill would contain a similar provision. It would propose to do away with that restriction in respect of the population of Quebec, but would also contain a clause providing that it would not become operative until proclaimed and would not be proclaimed until met by concurrent legislation of the legislators of

Quebec. I might add that no such conditions were expressed in the statutes enlarging the area of Ontario and Manitoba, because there was no similar reason for making any special provision in that regard.

Mr. MacNICOL: May I ask the minister if the legislation to which he refers is not premature? Is it not predicated on the house passing the proposed redistribution bill, which it may or may not do?

Mr. ST. LAURENT: It is a part of the scheme, and it is intended to have it go along concurrently with the other. This is the motion for introduction and first reading of the bill, because it is intended at this time to move the resolution. It is not intended to ask the house finally to adopt the bill until the house has considered the resolution, but it was felt to be proper to have them move along concurrently. Because of the order of procedure in the house this happens to come before the resolution to-day, but at a later stage of to-day's proceedings it is intended to move the resolution.

Mr. MacNICOL: But the resolution would have to pass before this could become operative at all?

Mr. ST. LAURENT: Not only would the resolution have to pass, but it is not intended to ask the house to give this bill second reading until the house has disposed of the resolution. And even after it is adopted still it will not become operative until proclaimed, and will not be proclaimed until there has been concurrent legislation by the other legislative body that concurred in the adoption of the 1912 legislation.

Mr. McMASTER: Through you, Mr. Speaker, I should like to ask the minister what is the present population of this area?

Mr. SPEAKER: Order. I am sorry, but I must remind the hon. member that it is not proper to put questions to the minister at this stage, nor is it incumbent upon him to answer them.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 142, for the relief of Thomas Bryson Beakes.—Mr. Maybank.

Bill No. 143, for the relief of Lila Edna Page Kennedy.—Mr. Maybank.

Bill No. 144, for the relief of Ernest Crete.—Mr. Stuart (Charlotte).

Bill No. 145, for the relief of Pauline Hellier Kirsch.—Mr. Casselman.

Bill No. 146, for the relief of Wilfred Fields Benlow.—Mr. Emmerson.

Bill No. 147, for the relief of Thomas Allan.—Mr. Emmerson.

Bill No. 148, for the relief of Martta Haavisto Aaltonen.—Mr. Maybank.

Bill No. 149, for the relief of Rhona Gertrude Paikowsky Munn.—Mr. Maybank.

Bill No. 150, for the relief of Arthur Joseph Hubbard.—Mr. Emmerson.

Bill No. 151, for the relief of Eleanor Hibberd Howe.—Mr. Maybank.

Bill No. 152, for the relief of George Graver.—Mr. Maybank.

Bill No. 153, for the relief of Malcolm Ernest Bigelow.—Mr. Maybank.

CANADIAN COMMERCIAL CORPORATION

ASSISTANCE IN DEVELOPMENT OF TRADE WITH OTHER COUNTRIES

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

That it is expedient to present a bill to establish a corporation to be known as the Canadian Commercial Corporation empowered to assist in the development of trade between Canada and other nations and to assist persons in Canada to obtain goods and commodities from outside Canada and to dispose of goods and commodities that are available for export from Canada. Provision is made for grants to the corporation from unappropriated moneys of the consolidated revenue fund of amounts not exceeding in the aggregate ten million dollars and other grants out of the consolidated revenue fund as authorized.

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

Mr. FRASER: Would the minister explain?

Some hon. MEMBERS: No.

Mr. SPEAKER: I must remind hon. members that this motion is not debatable.

Motion agreed to.

REDISTRIBUTION

AMENDMENT TO B.N.A. ACT AS TO RULES FOR READJUSTMENT OF REPRESENTATION

Right Hon. L. S. ST. LAURENT (for the the Prime Minister) moved:

That, whereas by the British North America Act, 1867 it is provided that in respect of representation in the House of Commons the province of Quebec shall have the fixed number of sixty-five members;

And whereas the said Act provides that there shall be assigned to each of the other provinces such a number of members as will bear the same proportion to the number of its population as the number sixty-five bears to the number of the population of Quebec;

And whereas the said Act provides for the readjustment of representation on the completion of each decennial census, and that on any such readjustment the number of members for a province shall not be reduced unless the proportion which the number of the population of the province bore to the number of the aggregate population of Canada at the then last preceding readjustment of the number of members for the province is ascertained at the then latest census to be diminished by one twentieth part or upwards;

And whereas the effect of the aforesaid provisions has not been satisfactory in that proportionate representation of the provinces according to population has not been maintained;

And whereas it is considered that a more equitable apportionment of members to the various provinces could be effected if readjustment were made on the basis of the population of all the provinces taken as a whole.

A humble address be presented to His Majesty The King in the following words:

We, Your Majesty's most dutiful and loyal subjects, the Members of the House of Commons of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to provide for the readjustment of representation in the House of Commons of Canada on the basis of the population of Canada;

Whereas the Senate and House of Commons of Canada in Parliament assembled have submitted an address to His Majesty praying that His Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth,

Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same as follows:

1. Section fifty-one of the British North America Act, 1867, is hereby repealed and the following substituted therefor:

51. (1) The number of members of the House of Commons shall be two hundred and fifty-five and the representation of the provinces therein shall forthwith upon the coming into force of this section and thereafter on the completion of each decennial census be readjusted by such authority, in such manner, and from such time as the Parliament of Canada from time to time provides, subject and according to the following rules:

1. Subject as hereinafter provided, there shall be assigned to each of the provinces a number of members computed by dividing the total population of the provinces by two hundred and fifty-four and by dividing the population of each province by the quotient so obtained, disregarding, except as hereinafter in this section provided, the remainder if any, after the said process of division.

2. If the total number of members assigned to all the provinces pursuant to rule one is less than two hundred and fifty-four, additional members shall be assigned to the provinces (one to a province) having remainders in the computation under rule one commencing with the province having the largest remainder and continuing with the other provinces in the order of the magnitude of their respective remainders until the total number of members assigned is two hundred and fifty-four.

3. Notwithstanding anything in this section, if upon completion of a computation under rules one and two, the number of members to be assigned to a province is less than the number of senators representing the said province, rules one and two shall cease to apply in respect of the said province, and there shall be assigned to the said province a number of members equal to the said number of senators.

4. In the event that rules one and two cease to apply in respect of a province then, for the purpose of computing the number of members to be assigned to the provinces in respect of which rules one and two continue to apply, the total population of the provinces shall be reduced by the number of the population of the province in respect of which rules one and two have ceased to apply and the number two hundred and fifty-four shall be reduced by the number of members assigned to such province pursuant to rule three.

5. Such readjustment shall not take effect until the termination of the then existing parliament.

(2) The Yukon Territory as constituted by chapter forty-one of the Statutes of Canada, 1901, together with any part of Canada not comprised within a province which may from time to time be included therein by the parliament of Canada for the purposes of representation in parliament, shall be entitled to one member.

2. This act may be cited as the British North America Act, 1946, and the British North America Acts, 1867 to 1943, the British North America Act, 1907, and this Act may be cited together as the British North America Acts, 1867 to 1946.

He said: Mr. Speaker, during the last session of this parliament there was a lengthy debate on the redistribution of representation in the House of Commons. It arose on a motion submitted by the hon. member for Charlevoix-Saguenay (Mr. Dorion), when he recalled that in 1943, on a joint address to both houses of parliament, an amendment had been adopted by the parliament of the United Kingdom to the British North America Act making it unnecessary to proceed with the distribution consequent upon the census of 1941 until the session following the cessation of hostilities with the German reich, the kingdom of Italy and the empire of Japan. After referring to this the hon. member moved:

That in the opinion of this house the government should conform to the aforesaid resolution and take into immediate consideration the advisability of proceeding during the present session with representation of the provinces in the House of Commons, pursuant to the provisions of the British North America Act.

As I said a minute ago, there was a lengthy debate on the motion. The debate was adjourned at the end of the day, and was not resumed during the session. In the course of the debate I ventured to point out I did not think that the resolution, in the terms in which it was couched, should be adopted, because it would appear to be a determination by the house that it was the government which provided for redistribution of representation in the House of Commons, whilst in fact it is a matter which is the responsibility of parliament.

The leader of the opposition (Mr. Bracken) then asked for clarification of that statement. I stated that of course members of the government, as members of parliament, realized that because they did have some control over the disposal of the time of the house, they had greater responsibility than did other hon. members to see to it that readjustment of representation was provided in due course.

Before I sat down the leader of the opposition put two questions to me. He asked first:

> Does the minister recognize a responsibility on the part of the Canadian parliament to have redistribution before the next election?

And, secondly:

> Will the government say now that there will be such a redistribution?

I answered the first question immediately in the affirmative—and that without the slightest hesitation. Replying to the second question I said I would hope that the government would take the initiative in having that responsibility of parliament to the people of Canada satisfactorily discharged before another election.

Hon. members will recall that in the speech from the throne at this session His Excellency made this statement:

> You will be asked to make provision for the redistribution of representation in the House of Commons.

Hon. members will also recall that when in 1943 the government suggested to the house the adoption of an address to His Majesty asking him to have laid before the parliament of the United Kingdom a bill to postpone the redistribution consequent upon the census of 1941, the reasons stated were that redistribution made on the basis of the British North America Act as it stood, and had been construed by decisions of the courts, would bring about a reduction in the membership of the house from 245 to 238, by reducing by three the representation from Manitoba and by four the representation from Saskatchewan; and that even that would leave a further number of thirteen members, in addition to what would be the representation of the population in the other provinces, based upon the quota obtained by dividing the population of Quebec by sixty-five.

It was also urged that there had been some displacement of population during the war, that it might not be fair to have a redistribution made at that time and on that basis, and that in those troubled days, when the minds of all Canadians were concentrated upon the problems of the war, it might be unfortunate to precipitate the kind of controversy that would arise out of any attempt to make any change in the constitution, as construed, with respect to distribution of representation.

At the last session of parliament it was urged that the amendment in 1943 made it a duty to proceed with redistribution at the first session following the cessation of hostilities. And, though there might have been some technical question then as to whether or not hostilities had completely ceased, that was not the ground upon which it was decided not to ask parliament at that time, or at that session, to consider the problem.

The matter had given us some concern. I had had it carefully examined by law officers in the department, and they had expressed the opinion that there was a duty to have a redistribution made before another general election, but that the statute did not require that it be proceeded with at the first session following even the cessation of hostilities; that the effect of the amendment was to make it unnecessary to do so during the life of the last parliament, but did not change the requirements of the statute otherwise. And it was pointed out that, in fact, redistributions consequential upon former decennial censuses had not always by any means been attempted at the first session of parliament following the publication of the returns of these census statistics.

But in accord with the announcement in the speech from the throne the government has felt it should take the initiative of placing the problem before the house, and of asking that it be dealt with at this session. Thereupon the question arose as to whether or not it would be proper to proceed in the same manner and with the same consequences as would have resulted from a redistribution in 1943, or whether it would be preferable to submit to the house a proposal for readjusting the representation on a basis that would not have the consequences to which I have alluded, in the matter of inconsistencies between the population and the number of members sitting in the house.

The government has come to the conclusion to recommend to parliament the adoption of a petition to His Majesty to cause a bill to

be laid before the parliament of the United Kingdom to provide for the repeal of section 51 of the British North America Act as it now stands and to substitute therefor the provisions which are printed on pages 4 and 5 of the *Routine Proceedings* of this day. I do not think it is necessary to take the time of the house to read the text of section 51 as it exists. I think that text is familiar to all members of the house, who know that it provides that Quebec shall have a fixed representation of sixty-five members and that the number of members to be elected by the population of each of the other provinces shall be determined by dividing the population of Quebec by sixty-five to get a quotient and by using that quotient to divide the population of the other provinces.

If that were done, and if that were all that was provided for in the constitution, the result would be that Prince Edward Island would have two members; Nova Scotia would have eleven; New Brunswick would have nine; Quebec, of course, would have the fixed number of sixty-five; Ontario would have seventy-four instead of eighty-two; Manitoba would have fourteen instead of seventeen as at present; Saskatchewan would have seventeen instead of twenty-one; Alberta would have sixteen instead of seventeen; British Columbia would have sixteen as it has at present, and the Yukon would have one because of the special provision made in that regard.

But there are two qualifications of the application of that general rule. One, introduced by way of amendment in 1915, provides that the representation in the House of Commons of a province will never be of a smaller number than that province is entitled to have members of the senate. That provision makes it impossible for the representation of Prince Edward Island to fall below four, because the constitution provides that Prince Edward Island is entitled to have four representatives in the senate. It makes it impossible for the representation of New Brunswick to fall below ten, because that province is entitled to ten senators.

The second qualification, which has existed from the year of origin of the British North America Act in 1867, provides that on any redistribution the representation of a province shall not be diminished unless the proportion which its population bears to the population of the whole of Canada has been reduced by not less than one-twentieth since the last readjustment of its representation in the House of Commons. That provision gave rise to no difficulty until the turn of the century.

At the turn of the century the application of section 51, even with the qualification, meant a reduction in the representation of Prince Edward Island. The attorney general of that province suggested that under a proper construction of the statute it could not be said that there had been any readjustment in the representation of the people of a province in the House of Commons until the number originally fixed by the constitution had been increased, that until it had been increased there could not be said to have been any readjustment, and that as the representation of the province of Prince Edward Island had never been increased beyond the six which it was at the time of the entry of the province into confederation, there had never been any readjustment and that there could not be any until such time as its population gave it an increase over six.

That argument was submitted to the supreme court and the decision of the court was against the validity of the argument. An appeal was taken to the privy council, and in the case of the Attorney General of the province of Prince Edward Island and the Attorney General of the Dominion of Canada, reported in Law Reports Appeal Cases, 1905, at page 37 and following, it was decided that on a true construction of the British North America Act the argument of the representatives of the Province of Prince Edward Island was unfounded. The language used, and which is to be found at page 51, was this:

> This argument assumes that there has been no readjustment for any province unless there has been an alteration. Their Lordships think this is to give too narrow a meaning to the word. In their opinion, when as the result of a census the representation of the provinces is reconsidered and the necessary changes, if any, made to bring it into harmony with the results of the census, that is a readjustment within the meaning of subsection 4, whether there be or be not any change in the case of any particular province.

That decision of the privy council is to be regarded as a binding construction of section 51, subsection 4, of the British North America Act as it now stands. The effect is that unless there has been a diminution of one-twentieth in the proportion of the population of a province to the population of the dominion between two censuses there shall be no change in its representation in the House of Commons. Although since the number of representatives of the province of Ontario was fixed at eighty-two, there has been a diminution in the proportion of more than one-twentieth, it has no effect on the application of the statute because it has not come about within one decade. However, in the cases of Manitoba and Saskatchewan, even

though there has been perhaps a smaller reduction in the proportion of their population to that of the dominion than is at present the case in Ontario since the number of its representatives was changed, there has to be a change because the diminution has come within a decade instead of being spread over more than a decade.

The matter was discussed when the suggestion was made to parliament to adopt an address praying for a postponement of redistribution by way of an amendment to be enacted by the parliament of the United Kingdom. At this stage I shall not attempt to comment upon its validity or otherwise but will merely refer to it as a fact.

As was stated by Mr. Newcombe, who argued the case for the dominion in the supreme court, and whose most interesting argument, as were all his arguments, is reported at full length in volume 33, Supreme Court Reports, this could go on indefinitely. You could have a situation growing over a long enough period where the representation of Quebec would remain at sixty-five, although its population might have become considerably larger than that of the premier province of Ontario, which would still be entitled to retain its eighty-two representatives.

Dissatisfaction has been expressed over this growing gap between the original principle of representation by population and the way the provisions of the British North America Act as construed in this Prince Edward Island decision have worked out, and it was felt by the government, in considering the proposals which it should submit to parliament for the readjustment of representation, that a fairer basis for the representation in parliament would be the population of all the provinces as a whole rather than the population of any one province.

Consideration had been given to taking as the basis the population of the province having the largest representation, and dividing that by 82, because it so happens that 82 is the number of members that Ontario had in the first parliament of Canada. It grew from 82 to 92 and is now back to 82. But it was found that that would not work out entirely satisfactorily, and it was found that it was perhaps not fair to any province to have it in such a position that any necessary reduction in its representation would be attributable to what had happened in the pivotal province. It was thought that it would be fairer to the population of the whole country to have the growth of the country, taken as a whole, determine the representation in the House of Commons, rather than to have the growth in any one locality applied generally throughout the whole country. The proposal which it is submitted it would be proper to request the parliament of the United Kingdom to substitute for the method now in effect is that the representation be fixed at 255; that the Yukon territory, and such other portions of lands as are not now within the limits of any province as parliament may at any time see fit to annex to the Yukon territory for purposes of representation, have one member; that the population of all the provinces of Canada be then divided by 254 to obtain a quotient, and that that quotient serve as a divisor of the population of each province separately; and that if as a result of that operation it should happen that any one or more provinces would have a lesser number allocated to it than its numbers in the senate, then that rule would be disregarded for that province and it would have allotted to it the number of representatives in the House of Commons equal to the number by which it is entitled to be represented in the senate; and that the 254 would be reduced by the number that is allocated to the province to which the rule no longer applied; and that the population of the other provinces would be divided by 254 less that number.

In the present circumstances the calculation made in that way would show that Prince Edward Island would receive only two representatives, and that being less than its number of senators the proposal requires that it be allotted four representatives; that the population of the other eight provinces together be divided by 250, and that the quotient thus arrived at serve to divide the population of all the other provinces.

Mr. MacNICOL: Would the total population include the Yukon and the northwest territories?

Mr. ST. LAURENT: No, the population of the remaining provinces. The Yukon and the northwest territories are dealt with in a separate section, and for the time being are provided with only one representative.

Mr. JOHNSTON: Why was the figure 255 chosen?

Mr. ST. LAURENT: I cannot say just why the figure 255 was chosen. It is probable that it was realized in advance that one would be set aside for the Yukon and that four would have to be set aside regardless of population for Prince Edward Island. The figure of 250 is used to divide the population of the other eight provinces. A calculation made in that way will give the results which

I shall mention in a moment. But before giving those results I wish to explain further a part of the proposal.

The quotient obtained by dividing the population of the eight remaining provinces by 250 is used to divide the population of each individual province. That quotient happens to be 45,578, because the population of the eight remaining provinces is 11,394,666. Each province then receives one member for as many times as 45,578 goes into its population, and when that operation has been accomplished for each of the eight provinces, if 250 members have not thus been allotted, the remaining members are allotted to the province having the largest remainder as a result of each individual division. The result of a calculation on that basis is as follows:

Prince Edward Island, with its population of 95,047, receives four members, because that is the minimum to which its representation can be reduced.

Nova Scotia, with a population of 577,962, receives 12 members, and there is a remainder of 31,026.

New Brunswick, with a population of 457,401, gets 10 members, and has a remainder of 1,621.

Quebec, with a population of 3,331,882, gets 73 times the divisor and has a remainder of 4,688, including the population of New Quebec, which is 3,067. This 3,067 is such a small number that whether you take it into account or not it has no effect whatsoever upon the calculation provided for in this resolution. It would, if you left it out, diminish the divisor by twelve, so that it has no effect whatsoever on the calculation.

Ontario, with a population of 3,787,655, gets 83 units, with a remainder of 4,681. Manitoba, with a population of 729,744, gets 16, with a remainder of 496. Saskatchewan, with a population of 895,992, gets 19, with a remainder of 30,010. Alberta, with a population of 796,169, gets 17, with a remainder of 21,343. British Columbia, with a population of 817,461, gets 17, with a remainder of 43,035. That provides for only 247 of the 250 to be allocated; so that one additional member is allocated to British Columbia, having the largest remainder, 43,035, as compared to the unit, 45,578, and British Columbia's representation in the House of Commons, according to this formula, would be 18. Nova Scotia, with a remainder of 31,026, would also get an additional member and have 13 instead of 12 units; and the third would be allotted to Saskatchewan, which has by the calculation 19 and a remainder of 30,010. That would make up the 250 members.

Mr. MacNICOL: What was the quotient, again, please?

Mr. ST. LAURENT: The quotient is 45,578. Perhaps, for the convenience of hon. members, I might put on *Hansard* this tentative calculation, which has been given to me by the assistant chief electoral officer, showing the population of each province and the representation which would conform with the terms of this proposal. If I have the consent of the house and if the house feels that it would be helpful to have this on *Hansard,* I shall be glad to have it made a part of the report.

Some hon. MEMBERS: Agreed.

Mr. ST. LAURENT: Perhaps the hon. member for Davenport (Mr. MacNicol) would like to have these figures. It will be found that the population of Yukon territory is 4,914 and the population of the remainder of the northwest territories is 12,028.

Mr. MacNICOL: That 12,028 would include Eskimos and Indians?

Mr. ST. LAURENT: Yes.

Mr. MacNICOL: Indians too?

Mr. ST. LAURENT: I would imagine so.

Mr. MacNICOL: Otherwise the population would not be anything like that size.

Mr. ST. LAURENT: I imagine that would include all those whom it was possible for the census enumerators to find in the territory at the time of the census.

The statement referred to follows:

Office of the Chief Electoral Officer

Ottawa, May 27, 1946.

Memorandum for the Honourable Louis St. Laurent, K.C., Minister of Justice

Set out below is a table showing the number of members to which each province will be entitled should the total membership of the House of Commons be set at 255.

The following figures are based on the 1941 population of Canada which is.....		11,506,655
Less Yukon Territory (1 member)	4,914	
Prince Edward Island (4 members)	95,047	
North West Territories..	12,028	
(5 members)	111,989	111,989
Therefore the total population used to obtain the quotient is		11,394,666
And the quotient for 255 members is		45,578

Province	Population	Remainder after division by quotient	No. of members
P.E.I.	95,047		4
Nova Scotia	577,962	31,026*	13
New Brunswick	457,401	1,621	10
Quebec	3,331,882	4,688	73
Ontario	3,787,655	4,681	83
Manitoba	729,744	496	16
Saskatchewan	895,992	30,010*	20
Alberta	796,169	21,343	17
British Columbia	817,461	43,035*	18
Yukon	4,914		1
Total			255

*In order to bring the total number of members to 255, these three provinces, having the largest remainders, are each assigned an additional member.

Respectfully submitted,

Donald Stewart,
Assistant chief electoral officer.

Mr. ST. LAURENT: Having made this objective statement as to what would be the application of this formula provided for in the resolution, there is very little I have to add. It will be for the house to decide whether or not it is desirable to proceed in this way. If it is, the procedure of presenting a petition by this house to His Majesty asking that he cause a bill to be laid before the parliament of the United Kingdom is the only procedure that can be adopted. We have section 51 as it now stands in the British North America Act, an enactment of the parliament of the United Kingdom. In the Statute of Westminster it was provided that, although the parliament of the United Kingdom would not thereafter adopt legislation applying to Canada except on the request of Canada, nothing in that statute would affect the provisions of the British North America Act; and therefore, whenever it is desired to have any change made in the British North America Act the procedure to be adopted is to petition His Majesty to cause a bill to be laid before the parliament of the United Kingdom and have the enactment made there.

Mr. BRACKEN: I should be interested in knowing how long it would take to have this amendment passed.

Mr. ST. LAURENT: Well, it would be presumptuous on my part to say how rapidly the parliament of the United Kingdom would proceed. All I can do is state to my hon. friend that in 1943 it was a matter of about ten days between the time the petition was adopted by the houses of parliament here and the time it was assented to as an act of the parliament of the United Kingdom.

Mr. BRACKEN: These measures are usually expedited?

[Mr. St. Laurent.]

Mr. ST. LAURENT: That is what happened the last time.

Another question, which has arisen each time there has been any move to ask for an amendment of the British North America Act, has been whether or not the provinces had been consulted and had agreed to it. I think that when the question is put in that form it is ambiguous. The provinces, that is to say the people of the provinces, are all represented in this parliament, and for the purposes of such matters as are confided to the jurisdiction of this parliament it is by those representatives here that the people of the provinces speak. There are other matters given by the act to the jurisdiction of the provincial legislatures and the provincial governments; with respect to any of those it is my view that it would not be possible to deal with them without the consent of those to whose jurisdiction they have been confided. My view of the confederation enactment—it matters little whether it be called a pact or any other name—is that there was an assembly of distinguished gentlemen representing in the conferences four colonial legislatures, legislatures which legislated by delegation of the parliament of the United Kingdom; so much so that if one looks at the constitution of 1791, the parliaments then set up for Lower Canada and for Upper Canada were expressly authorized to enact laws for the peace, order and good government of these colonies. It was expressly provided that those laws would be obligatory by virtue of the enactment of the parliament of the empire, and practically the same language was conserved in the act of union between the two Canadas in 1840. Then the representatives of the people which had legislatures of that delegated character met and discussed resolutions which were finally submitted to the imperial parliament for enactment, and by those resolutions they provided that the sum total of the sovereignty would be divided between two jurisdictions; one portion would go to the central parliament, another portion would go to the provincial legislatures; and the courts have held that with respect to what was allocated to the provincial legislatures they are not mandatories or agents of or subservient to the central parliament; they have received that portion of the sovereignty of the nation to exercise it under their own sovereign authority; and it is my view that nothing which has thus been allocated to them can be taken from them without their participation. They have been given exclusive jurisdiction over that field, and it cannot be interfered with. But on the other hand, exclusive jurisdiction over other matters was given to the other representative body of the Canadian people,

and it so happens that the representation in this house has to be adjusted from time to time in such manner and subject to such conditions as this parliament, composed of the representatives of all the provinces, determines.

When I hear these suggestions that the constitution of the Canadian parliament results from a delegation made by these original colonial legislatures I sometimes wonder how that can be seriously argued, when it is remembered that at the time the two groups of population with respect to which the argument is urged so forcibly are the group of Anglo-Saxon descent and the group of French descent. At that time they were both in one legislature, and their representatives appointed by that one legislature participated in the conference which led to the enactment of the statute of 1867. It seems inconceivable to me that John A. Macdonald, afterwards Sir John A. Macdonald, was not as much a representative of the group for which he spoke before the first of July, 1867, after confederation had been proclaimed, as he was the representative of that group in the various conferences that took place prior thereto. And similarly that George Etienne Cartier, afterwards Sir George Etienne Cartier, was not as much a representative of the group for whom he spoke and negotiated in the Quebec conference after the proclamation of the statute of 1867 as he was before that time.

These are matters about which one must be rather careful. I know there is no desire anywhere to do anything that is not in accord with the true spirit and intent that presided over these deliberations; but it is apt to appear a bit strange to have it constantly urged that for the purposes of any amendment whatsoever to the British North America Act the persons who are competent to express opinions are the provincial legislatures. They are competent to express opinions on all matters allocated in the statute to provincial jurisdiction; but as to everything that was put within central jurisdiction by the statute of 1867, the statute provided how the people were to be represented and to what assembly His Majesty and his constitutional advisers were to be responsible.

This matter of adjusting representation is something which in express terms falls to be determined by the parliament of Canada. Of course there are rules expressed in the section which can be modified only by the legislative body which enacted them. Section 51 of the original act provided that:

> On the completion of the census in the year one thousand eight hundred and seventy-one, and of each subsequent decennial census, the representation of the four provinces—

By virtue of the decision expressly made by the supreme court and the privy council in the Prince Edward Island case, that has to be read "the representation of all the provinces." I continue:

> —shall be readjusted by such authority, in such manner, and from such time as the parliament of Canada from time to time provides,—

Subject to the subsections expressed. It is the parliament of Canada, subject to such action as may be taken by the parliament of the United Kingdom, which is the only body having been given jurisdiction in that regard in 1867. And under the Statute of Westminster it is now provided that the parliament of the United Kingdom will not act in respect of Canadian affairs except upon request. According to constitutional practice that request has to be expressed in the form of humble addresses presented to His Majesty.

As to whether or not it is proper at this time that there should be a modification made that would provide for a truly proportionate representation based on population, it is for this house to decide on this resolution. There can be no doubt that the time will come when the application of these restrictive rules will become unbearable. The general principle is representation according to population. There will come a time—there cannot be any doubt about that—when anything that gets seriously out of line with that principle will be considered unbearable. In this house there are twenty representatives who are not here because there is behind them the quotient provided for by the general rule. In my opinion that is sufficient to make it desirable to get back to a rule which will provide for a truly proportionate distribution of the representatives in this house. Should it be 255; should it be 245, or 238? These are matters of detail. But it so happens that by making it 255 there seems to be at this time only one province which will see its representation diminished, and there it will be diminished by only one.

It is a matter of practical experience, I think, that it is always painful to bring about a readjustment which requires a diminution in representation. It does not seem to me that a house composed of 255 members would be inordinately large, not only in view of the numbers of our population but in view of the immense territory the representatives in this house represent. Do we always realize that the area of this country is enormous—from one ocean to the other, from the boundaries of the United States to the north pole, an area scarcely smaller than the whole of Europe and somewhat larger than the whole of the United States? Of course, were it not for the

fact that only a relatively small fraction of it is regarded as potentially valuable for agricultural purposes, it would be difficult to explain why there are only twelve million people in that vast area; but the representation is territorial, and the territory is very large.

I submit that there should be found much to commend itself to hon. members in this proposal, which will provide, if it is adopted, that hereafter the adjustment of representation will be in accord with the general growth all over the country from one ocean to the other and from the United States border to the north pole. And whenever in applying the results brought about by the growth over the whole country it does happen that one province suffers some diminution in its representation, it will not be chargeable to happenings in any other individual province.

Mr. ROSS (Souris): Did the minister say just one province would lose a member?

Mr. ST. LAURENT: Yes, I think so.

Mr. ROSS (Souris): As I followed the minister's figures, there will be two provinces losing—Manitoba and Saskatchewan.

Mr. ST. LAURENT: I think the hon. member failed to take into account the fact that there is a remainder, providing for one member—

Mr. BRACKEN: Saskatchewan still would be one short.

Mr. ST. LAURENT: Saskatchewan would lose one member, but Saskatchewan seems to be the only province that would have any diminution in its representation as a result of the application of this rule.

Mr. BRACKEN: And Manitoba, according to your figures.

Mr. ROSS (Souris): If the minister will recall, he gave the extra ones to Nova Scotia, Saskatchewan and British Columbia, so that Manitoba remains at sixteen, whereas they had seventeen. That is as I followed the minister; I may be wrong.

Mr. ST. LAURENT: I am sorry, but I handed the statement I received from the deputy of the chief electoral officer to *Hansard,* and the figures will appear there. My impression was that only one province would have one less member.

Mr. ROSS (Souris): I took down the figures as the minister gave them, though I may be wrong.

Mr. ST. LAURENT: My hon. friend will see the figures in the official statement I obtained from the deputy of the chief electoral officer, and I think he will find that the representation of only one province has been lessened.

Mr. JOHNSTON: What provinces will find their representation increased, and by how many?

Mr. ST. LAURENT: There would be increases totalling ten in all; two to British Columbia, one to Ontario and eight to Quebec. That is a total of eleven, but there is one diminution, making a net increase of ten. There are eleven to be allocated, because in respect of Saskatchewan there is a diminution of one.

Mr. CHURCH: As a matter of fact does not this resolution have to pass unanimously before the United Kingdom parliament will consent to it? On the occasion of the last amendment they asked whether the provinces had consented. We people should first vote on it. Why ask for it at a time like this?

Mr. ST. LAURENT: I am not sure that I was able to follow the hon. member. However, I will see his question and will endeavour to have an answer to it when I reply. If the question is, does there have to be unanimous consent in this house to enable a petition to be presented, of course the answer is no.

Mr. CHURCH: At the time of the last amendment we were asked about the provinces.

Mr. ST. LAURENT: Mr. Speaker, I do not think I have anything more to add. It will be for hon. members to determine whether in their opinion the time has arrived to bring the representation back to a proportionate basis.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, the resolution before the house calls upon the parliament of the United Kingdom to make the most far-reaching constitutional change in the British North America Act that has been made or asked since the confederation pact of 1867. This being so, I feel that the speech delivered by the right hon. Minister of Justice (Mr. St. Laurent) requires the serious consideration and study of all hon. members, and I suggest that at this stage the debate be adjourned until a date to be fixed, to the end that such study may be possible. I therefore move the adjournment of the debate.

Mr. ST. LAURENT: Would the hon. member be prepared to resume the debate at a relatively early day?

Mr. DIEFENBAKER: Tuesday?

Mr. ST. LAURENT: Monday or Tuesday.

Mr. DIEFENBAKER: Very well.

Mr. ST. LAURENT: On that understanding, on this side of the house we have no objection to the motion.

Motion agreed to and debate adjourned.

LABOUR CONDITIONS

SEAMEN'S STRIKE—AMENDMENT OF CANADA SHIPPING ACT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): In view of a telegram I have just received I should like to put a question to the Minister of Labour. Will he consider taking immediate steps to remove the anachronism in chapter 186, section 288, of the Canada Shipping Act, revised statutes, 1927, under which seamen engaged in an industrial dispute can be arrested and tried as deserters?

Hon. HUMPHREY MITCHELL (Minister of Labour): I think that is a pretty tall order to give the Minister of Labour.

Mr. COLDWELL: I said consider it.

Mr. MITCHELL: The Canada Shipping Act comes under the jurisdiction of the Department of Transport, and I have nothing to do with that matter.

Mr. COLDWELL: Then I direct the question to the Minister of Transport. This is clearly an anachronism, and it never was intended to be applied as it is being applied at the present time. May I just add that during the war the defence of Canada regulations were set aside by order in council in regard to industrial disputes, and it seems to me this is analogous.

Hon. LIONEL CHEVRIER (Minister of Transport): I am not familiar with the section to which my hon. friend refers. If he has reference to the general sections under which charges have been laid, all I can say is that charges laid under the Canada Shipping Act are similar to those laid under the criminal code. The Canada Shipping Act has the same effect as the criminal code, and these charges are not laid by the Department of Transport; they are laid by informants before police magistrates. I have not the section before me, but I shall be glad to look at it and consider the matter.

Mr. LOCKHART: Why are they not permitted bail?

Mr. CHEVRIER: The question of bail is one for the magistrate in the locality in which the charge is laid.

Mr. COLDWELL: Action of this kind could not be taken under the criminal code or under the defence of Canada regulations in connection with an industrial dispute. It seems to me this is an anachronism in relation to an industrial dispute, and one which should be removed.

BEVERAGE DISPENSERS IN ALBERTA

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): I do not like to impose upon the Minister of Labour, but I also have a question I should like to ask. I do not want him to put this on to the wartime prices and trade board, because I have received wires and air mail letters in regard to it, as no doubt he has also, from the province of Alberta. What action has the government or the national war labour board taken to avert the impending strike on May 30 of the beverage dispensers of Alberta?

Hon. HUMPHREY MITCHELL (Minister of Labour): I shall be glad to look into my hon. friend's question.

Mr. JOHNSTON: It is a very serious matter, at least to the people concerned.

MEAT

INQUIRY AS TO RETAIL PRICES

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): The Minister of Labour has received a wire from the retail meat dealers' association of his riding, as I have. Since he is a member of the government I should like to ask him what he has done in regard to this matter, or what he intends to do.

Hon. HUMPHREY MITCHELL (Minister of Labour): I think I have enough to look after in my own department. Other people may not think so, but I am not trying to be funny when I say that. I hope I shall never live to see the day when the wartime prices and trade board is transferred to the Department of Labour. I will make my representations to the board, as no doubt the hon. member will also.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

DEPARTMENT OF LABOUR

109. Departmental administration, $755,967.

Item stands.

POST OFFICE DEPARTMENT

259. Departmental administration, $1,175,465.

Item stands.

DEPARTMENT OF VETERANS AFFAIRS

444. Departmental administration, $1,554,712.

Item stands.

DEPARTMENT OF NATIONAL DEFENCE

Normal services—

191. Grants to military associations and institutes, as detailed in the estimates, $10,675.

Item stands.

DEPARTMENT OF AGRICULTURE

Production service—

18. Health of animals—Administration of Animal Contagious Diseases Act and Meat and Canned Foods Act, $2,103,508.

Mr. CHARLTON: When the committee rose a week ago last Friday evening I was speaking to this item, and was pointing out that there had been reports of abortions occurring in herds that had been vaccinated. In that connection I should like to quote one paragraph from an article sent out by the Ontario Veterinary college at Guelph. It deals with the duration of immunity, and states:

The interval of time during which the resistance against infection lasts has not been definitely established. Outbreaks amongst adult vaccinated animals, vaccinated three to six years previously, have been reported. The question of revaccination in such instances is under survey at the present time. The duration of immunity therefore, has not been definitely fixed.

A considerable amount of work is being done along these lines at the Ontario Veterinary college. The paragraph does bring up the point as to how long after initial treatment the animals should be revaccinated. Abortions have occurred in vaccinated animals from six to eight years after, and in this instance from nine to ten years after the vaccination of the herds. This fact may lead farmers to believe that vaccination is not a proper procedure, and I suggest that veterinarians who are doing vaccinating work should reassure the farmers who may have questioned this process. It should be pointed out that vaccination is not a cure, and was never intended to be. It does however have a worthwhile restraining effect upon the recurrence of the disease.

Many breeders have felt that the disease would be contracted from vaccinated animals. I tried to point out last fall that this was not so, and in that connection I would read another paragraph from the same report, which deals with the subject of the stability of strain 19. It says:

The strain has been injected into pregnant females, producing abortion. These animals inoculated, have been free of infection prior to the next pregnancy. Furthermore, contact normal pregnant females did not contract the disease. The germ, when re-isolated, or recovered from these experimental animals, had the same qualities as the original strain 19. Hence, the strain 19 is stable.

Now, as further evidence of the fallacy of this programme as now carried on by the department, I should like to quote from the *North American Veterinarian* of April, 1944, where it says:

For fifteen years, the blood-test method for the control of brucellosis in cattle has been given the most earnest and efficient support by the vast majority of veterinarians, state sanitary control officials and cattle-breeders. Few disease-control measures have had as much trial or have ever been given greater financial or professional support. This method has been of value in keeping many herds free from infection as far as could be determined by the agglutination test. However, such herds are in constant danger from some undisclosed, latent infection or from infection gaining entrance to the herd from the outside.

In areas where herds are small and cattle are few in number, the disease incidence is reduced and the problem of control is vastly simplified. The ultimate control and eradication of the disease in areas where herds are large and in close proximity and where the rate of infection is heavy, becomes a problem of considerable magnitude. In such areas control and eradication by the testing method alone has in many instances resulted in almost complete eradication of the herd, not only once, but several times.

I should like to emphasize that last sentence. To continue:

After the most thorough and conscientious efforts were expended over a period of years, the more farsighted practising veterinarians and cattle-breeders concluded that this method, even though bolstered by huge state and federal funds, would not accomplish the desired end.

And further down:

Considerable progress of a more permanent nature in the control of brucellosis in cattle in Illinois and throughout the country has been made during the past few years.

And again:

Cattle breeders and veterinarians have found that calfhood vaccination has given them an offensive weapon with which to fight the disease and in recent years definite progress has been made at a minimum of expense. Veterinarians realize that this procedure is not 100 per cent perfect but they have found a method that has enabled them to make permanent gains—a method that has enabled cattle breeders to plan their breeding operations with greater security and confidence.

I should like to say a word about the action taken by the Ontario Veterinary college at Guelph, and to commend the Ontario department of agriculture for the action it has taken; because as far as I know Ontario is the only province that has taken a definite stand on this matter. The Ontario Veterinary college has made available vaccine for all breeders in the province. The vaccine will be distributed through the agency of qualified veterinarians. Vaccine will be maintained in

the fresh state and will be distributed free of charge. The breeders will be responsible for the payment for the injection of vaccine. The college will supply the veterinarian with the vaccine, vaccination certificate forms and ear tags. During the present year the college plans to make the programme province-wide in its application.

I hope I have made my point quite clear. Action must be taken for the protection not only of the cattle breeders of this country but of human life as well. As I have said before, this disease probably causes more loss to cattle breeders than any other disease we know of, and it will continue to cause large losses unless something definite is done.

There are two other types of this disease, one affecting swine and the other affecting goats. The one affecting swine is known as *brucella suis* and the one affecting goats as *brucella melitensis*. They say that in some parts of the United States seventy per cent of the undulant fever in humans is caused by *brucella suis*. This disease is very difficult to diagnose in swine because abortions are not noticeable. For this reason *brucella suis* is far more important from the human standpoint than the *brucella abortus* which affects cattle. I should like to quote *Veterinary Medicine* of March, 1946, page 99, as follows:

> On the whole, it is not the economic loss from swine brucellosis but the public health aspect that is most important. In the whole country there is a large number of cases of undulant fever in man, and the incidence is increasing year by year. What percentage of these cases is due to the porcine type of the organism is not known, but statistics gathered in Iowa, the leading state in swine production, shows 75 per cent of the cases to be due to the suis type. Curiously enough, in Alabama, which is not an important swine producing state, a survey showed almost the same percentage—72 per cent—of the cases of undulant fever to be due to the swine organism. Every epidemic of undulant fever that has occurred in this country, so far, has been due to the suis type of the organism, in most, perhaps all instances due to the infection of cattle and contamination of raw milk with the swine type of the organisms.

I think we have much to learn in this country regarding this organism and I suggest that the Department of Agriculture get in touch with the United States officials and find out all they can about it. As I said, it is important not only as it affects the cattle breeders, but also because of its possible effect upon the health of this nation.

Mr. GRAYDON: I rise with some hesitation to take part in a discussion upon so specialized a matter as testing for Bang's disease and tuberculosis in cattle and other animals, but I should like to relate to the committee an incident which came to my notice during the week-end. It was brought to my attention by the farmer concerned, and he was in the gathering where there were others to testify to the facts in the matter. This farmer had an accredited and listed herd of Holsteins, which is the term used in connection with the dominion government testing programme. His herd numbered some forty-four cattle. During the last twelve years he has never had a positive reaction. Tests should have been made last November, but there was some delay caused by congestion brought about by the war. The tests were made two or three weeks ago, and every one of his forty-four cattle went down. There was one calf which escaped but they took the calf off with the rest to the abattoir. The farmer tells me that in this instance a new serum was used for testing purposes. Whether it is more sensitive or not I do not know; in any event the result has been very strange, as I think the minister will agree. This farmer can ill afford the loss of his herd. I would draw the minister's attention to the fact that when the cattle went to Swift's abattoir for slaughtering, particular attention was paid to these animals by those specializing in the making of tests when animals are killed, and not a single bit of evidence of tuberculosis was found in the whole herd. This serves only to arouse further suspicion in the minds of the farming community in which this man lives. In fact it is causing consternation, because the farmers feel that either the new serum must have been too sensitive or there must have been some error in making the test. The farmers are inclined to attribute it to the new serum, and oppose any suggestion that the test was not properly carried out.

I shall give the minister the farmer's name and address, and his lot and concession number—he does not happen to be in my constituency—so that he may make an investigation. It is a matter of grave concern to the farming community, and the sooner a full explanation is made from the ministerial level the better it will be for all concerned. An investigation should be instituted and the truth be made known so that rumours will not be flying about such as I heard over the week-end.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Chairman, in the first place I wish to thank the hon. member for Peel for having brought this matter before the committee. The facts are very much as they have been stated so far as tuberculin is concerned. The reason for introducing the new tuberculin some four or five months ago was that our cattle going across into the United

States and being tested with this tuberculin were going down, and that was having a very bad effect on the trade of our breeding stock going into the United States. So the department decided to use the same tuberculin that was being used in the United States. There are some cattle going down under the test of this tuberculin, which did not go down under the tuberculin that was used before. Apparently it has a more sensitive reaction, but so far as we have been able to determine up to the moment it does not result in cattle going down that are not affected by tuberculosis. Of course the object of these tests is to get all the cattle that are affected. It is just possible that cattle which were reacting negatively under the old test are going down under the test with this new tuberculin. It is just as well that the question should be discussed here and information given to the committee in regard to it.

The department is making a most careful check to make sure that no undue hardship is being caused to anyone as a result of the use of this new tuberculin. I am sure that all breeders, particularly those breeding for sale outside Canada, will desire to have their market retained by having the most careful check made of animals on this side.

Mr. GRAYDON: May I ask what have been the results in the last five or six months since this new tuberculin was introduced? Have there been similar cases to the one I have discussed this afternoon, in which whole herds which for years have been reacting negatively to the old test have gone down under the new test?

Mr. GARDINER: We have no information up to the moment as to a whole herd reacting negatively under the old test and then, with one exception, reacting positively under the new test. There are no such cases on record. There are cases of individual animals reacting negatively under the old test and positively under the new test. That was the reason for using this serum. Our cattle were reacting negatively under the old test and were reacting positively to the new serum on the other side of the line. The complaint was made that animals afflicted with tuberculosis were being shipped into the United States even though we were giving certificates that they were free from the disease.

I do not know that I should attempt to give a detailed explanation of the different methods by which the tuberculin is developed, but this serum is being used in the United States, where our greatest market is, and to protect the breeder here we thought we should use the same tuberculin.

[Mr. Gardiner.]

Mr. GRAYDON: I would ask the minister to clear up one more point which the farmers have made to me. At the abattoir where the cattle were slaughtered the veterinaries—I suppose they would be veterinaries—

Mr. GARDINER: They would be veterinaries.

Mr. GRAYDON: The veterinaries found no evidence of tuberculosis in this herd. Would a veterinary at the abattoir, after a cow had been declared to have reacted positively, be able to find evidence of tuberculosis in the animal?

Mr. GARDINER: That would not be definite proof that the animal was not affected, because the disease cannot always be detected in the slaughtering.

Mr. GRAYDON: It seems strange that forty-four of them had been declared negative and then were declared positive under this new test, and yet not one of them showed any evidence of tuberculosis at the abattoir. This has confirmed the suspicions of the farming community in which this man lives and carries on his business. I would ask the minister to make a personal investigation of the case I have brought to his attention.

Mr. GARDINER: If my hon. friend will give me the name and all particulars, we shall go into the case.

Mr. GRAYDON: I shall be glad to do that.

Mr. MATTHEWS (Brandon): May I ask the minister if there are many municipalities in Manitoba which have made requests for the tuberculin test which it has been found impossible to accede to? In one area I have in mind, the farmers, mostly very good farmers, are raising splendid cattle, but they are isolated, and while all the municipalities surrounding them have had the test, this municipality has not been able to get one because of the shortage of veterinaries. Thus they are placed at a great disadvantage in the distribution of their herds, and they are hoping for a remedy very soon. I know that the trouble has been the shortage of veterinaries, and I would ask the minister whether there is a likelihood of the situation correcting itself in the near future.

Mr. GARDINER: There are six municipalities in Manitoba which have been accepted but have not yet been passed. A number of others—I have not here the figures as to the exact numbers—have made applications which have not yet been finally considered, but six have been accepted but the tests have not yet been made. The reason for that is

largely a lack of veterinarians to make the tests. But there are some isolated cases where applications have been made and where it is not intended to make the tests right away. I would take it that a case which would be in the vicinity of Brandon would be in a block, rather than isolated. Efforts are being made to make the test as far as possible in all the areas where there is a block of municipalities around about which have already been accepted and where tests have been started but not completed.

Mr. TUSTIN: A few years ago a test was taken in a number of municipalities, and I understand that it must be continued over a period of several years before it becomes authentic. During the war years some of those municipalities were dropped. Will they be taken on again now and the work started from the beginning and carried right through?

Mr. GARDINER: Just as soon as we can get the men to do it, it is intended to bring them up. Unfortunately, some of them have lost their standing because it has not been possible to do them regularly enough.

Mr. FRASER: Do they inspect this canned meat at the plant, or is it inspected afterwards? I heard the other day that some thousands of cans of food were condemned at Montreal. Does the minister know anything about that?

Mr. GARDINER: All that is put up at the inspected plants is inspected by dominion inspectors, at the plant. There are in the provinces plants which are not subject to federal inspection. That is, we do not accept those plants as plants from which meat can be exported, either interprovincially or internationally. But in certain provinces there may be meat sold which has been put up within the province by a plant that we do not inspect, so I cannot say definitely that all meat condemned in Montreal or Toronto or somewhere else has been inspected by us. We inspect at the plant where the product is being put up for export from one province to another or for export from this country to another country.

Mr. FRASER: The way I understand it is that if the meat is only to be sold within the province you do not have to inspect it.

Mr. GARDINER: That does not cover it fully. For example, there are a certain number of plants in Ontario which are exporting meat, and because they are exporting meat they live up to all the health regulations of the federal department of agriculture. Those are what we call inspected plants. But there are a number, some of them of quite considerable size, that will not bring their plants up to the standard we require: they do not intend to export meat, and therefore, they say, we are going along under provincial regulations as they are, or probably under the health regulations of the city in which they operate. We do not inspect those plants: no meat out of those plants will go into export. But take a plant like Canada Packers in Toronto: we inspect the meat there, and a very considerable part of it may be marketed in Ontario, but it is all inspected; we cannot separate meat to be exported from that to be consumed locally. Because all the meat in that plant is inspected, it can be exported either to another province or to another country, but some is consumed in Ontario.

Mr. FRASER: Then a farmer could start his own canning plant out in the country where, perhaps, they have no health laws and sell that canned stuff any place in the province without its being under the jurisdiction of your department?

Mr. GARDINER: It would not be under the jurisdiction of this department. There are, however, health laws in every province, and there are regulations with regard to local slaughter for local consumption. But they are not under this department.

Mr. FRASER: The reason I brought up the matter is that about forty people were poisoned last year from canned chicken which they had bought, and I wondered what the minister's department does with regard to incidents of that kind.

Mr. GARDINER: We would have to know the exact case before we would know whether we inspected it or not.

Item agreed to.

Production service—

19. Compensation for animals slaughtered, $373,036.

Mr. BRYCE: Has the minister given any consideration to the raising of the allowance for slaughtered animals? To-day, if you happen to have an animal from a registered or a purebred herd that goes into the tank, the amount is $96; if you have a grade herd you get only $38 per head. Those figures were set at a time when good milk cows were worth $75 to $80. In the west to-day we are paying anything from $175 to $200 for milk cows, and to get only $38 is not enough. Has the minister given that matter any consideration? I raised it once before.

Mr. GARDINER: It has been up, I think, every session for the last ten years, and we have given consideration to it each time.

Some have suggested that when the price is high we should raise the amount which is paid, but we have always held that it would be most difficult to vary the amount year by year. One might say that when prices are very low we should make the allowance very low, but we have maintained the position that we should have a fair average return. The maximum is $40 on the grades and $100 on the purebreds.

Mr. BRYCE: Is it not $96?

Mr. GARDINER: It may work out at that, but the maxima are, I think, $40 and $100. Over a long term of years those have been considered to be fair rates. We have considered the matter from time to time and have always come back to the same conclusion. One obvious reason is that when prices are high the salvage is very much higher; when prices are low the salvage value is low. That is not the only amount the man gets, as was just indicated by the hon. member for Peel. All these cattle went to the abattoir; then they were examined and apparently the inspectors were not able to condemn any of the meat. The animal was sold. In those cases, at least, the raisers got the full meat value of the animal. In addition to that, they would get the other allowance. It is presumed that the two combined pretty well takes care of the loss.

Mr. BRYCE: Thirty-eight dollars is much too low for an animal that cost $200, particularly if the farmer does not get any of the meat. The individual to whom the hon. member for Peel referred got the meat, but if you do not get the meat the loss on the cow is that much greater. I hope the minister does not think we are going back to the old days when cows were low in price. We may go back to the day when the price is lower than it is to-day, but surely we shall never go back to the days when we were getting $15 for a cow. I would ask the minister to reconsider the matter and try to bring the price up more in line with present-day conditions. The farmer is taking a terrific loss when he gets only $38 for a cow which cost $200, and which goes into the tank.

Mr. GRAYDON: The hon. member for Selkirk mentioned the case I brought up and spoke about the value of the cattle if they were slaughtered for meat. Perhaps I should put more details on the record. The farmer I mentioned could have got $7,200 for his cattle on the open market. Actually he will get exactly $4,800 in spite of the fact that, as the minister says, the meat was not condemned. In spite of that the loss is considerable.

[Mr. Gardiner.]

Mr. GARDINER: The salvage plus the compensation amounted to only $4,800?

Mr. GRAYDON: His loss on the transaction is exactly $2,400, the difference between $7,200 and $4,800.

Mr. GARDINER: That is a purebred Holstein herd?

Mr. GRAYDON: Yes.

Mr. ROSS (Souris): The matter raised by the hon. member for Selkirk is an important one. It was raised last year by the hon. member for Haldimand. I do not know the year in which the department set the maximum allowance for animals, both grade and purebred, that are slaughtered.

Mr. GARDINER: The maximum is $100.

Mr. ROSS (Souris): I know what the maximum is, but in what year was it set? What I am trying to arrive at is the year and the corresponding values.

Mr. GARDINER: It was 1937.

Mr. SENN: They never pay the maximum.

Mr. ROSS (Souris): I would ask the minister to have the department give careful consideration to this matter. We have heard a great deal about stabilizing prices for farm products. To-day our cattle are not bringing in anything like the prices obtained in markets in other nations. Therefore there should be some upward adjustment of these maximum allowances.

Mr. GARDINER: I said it was 1937, but it goes away back beyond that, prior to the last war. It has remained at the present level since 1922.

Mr. ROSS (Souris): I would think it was set at a time when prices were at a very low level as compared with prices these days anyway. Certainly the allowances are completely out of date. In some of the better sections of the country our people are trying to improve their herds and have them inspected. I presume that there will be an expansion of that work now that more help is obtainable in the way of veterinarians and so on. That being so, those people who are unfortunate enough to have a herd go down take too drastic a loss. I hope the minister will reconsider this matter and try to have the maximum allowance adjusted at this time in line with present prices prevailing for beef.

Mr. FAIR: I should also like to join with the hon. members for Selkirk, Souris and Peel in asking the minister to have his department check up this matter again. Some upward adjustment is badly needed. The

farmer who sustains a loss by having his herd slaughtered sustains that loss in the interests of other farmers in the country. Ample provision for him should be made without delay.

Item agreed to.

Production service—
20. Live stock and poultry, $839,625.

Mr. BLACKMORE: I should like to ask the minister a number of questions pertaining to artificial insemination. I shall read the questions and then I shall send them across to the minister so that he can answer them in order. How many artificial insemination centres are operating in each of the provinces? Where are the artificial insemination centres located in Alberta? How many stock men were supplied by each of these Alberta centres in 1943, 1944 and 1945? What breeds of bull are stationed at each of these centres? What is the name of each sire at each station? From what breeder was each purchased? What is the age of each sire? What price was paid for him? What proof of outstanding quality can be furnished for each sire?

Mr. GARDINER: I am afraid I shall have to take that as a notice of questions. It is information that I would not and could not possibly have here. I am asked to give the names of these different animals, and all that kind of thing. I cannot do so now.

Mr. BLACKMORE: Artificial insemination comes under the Department of Agriculture.

Mr. GARDINER: Yes, but to get the name of every bull while I am sitting here is rather difficult. Give it as a notice of question and I shall get the information in writing.

Mr. BLACKMORE: I did wish to have the answers at this time. These things are of great importance and could go a long way to improving live stock throughout Canada. Live stock throughout the country is going to depend on this important matter and that is why I raised the question.

Mr. GARDINER: I quite agree with all that. I may say that there is no station in Alberta. That answers part of the question which I think would be of the greatest interest to the hon. member. Possibly there should be a station there. The only thing I can say is that there is so much detail asked for by the hon. member for Lethbridge that I would ask him to let it stand on the record as a question and I shall see that an answer is brought down in the house, if not while my estimates are on, just as soon as it can be obtained. Answers to the questions will be put on the record.

Mr. BLACKMORE: While the minister is obtaining the answer will he also tell the committee from what sources anyone in Alberta would be most likely to obtain the service?

Mr. GARDINER: I think the hon. member can get that from the answers to the questions that were asked. He asked for the location of the different places, the names of the animals and so on. I think all the information desired is covered by the question. When the information is secured the farmers would then examine the pedigrees of their own herds and select the service accordingly. Persons who had been getting sires from some breed herds would probably not desire to utilize the same service. They would make their own choices in these cases as to where they would get the service. So long as all the information asked for is on the record any person wanting to use the service can utilize it.

Mr. BLACKMORE: The reason I asked the question is this: if the stations are not in Alberta then from what centres would the Alberta farmers likely get the service? That is the point I want to have answered.

Mr. GARDINER: It will all be in the record.

Mr. MENARY: Will sufficient grain be available in the west to supply the eastern provinces with feed for their hogs and chickens this year? Some farmers in my district are cancelling their orders for young chicks because they fear they will not be able to get the grain. They are also getting rid of some of the young pigs for the same reason.

I should also like to join with the hon. members for Peel, Souris and Selkirk in asking that the price of cattle that go down in T.B. inspection and go to the tank be raised. It is altogether too low.

Mr. GARDINER: I have been attempting during the whole session, and as a matter of fact since before the session opened, to emphasize the fact that feed supplies are low, not only in eastern Canada but all across the dominion. The reason they are low in different parts of the country is that they are low at the source from which the feed is obtained, that is, the prairie provinces, and at present the position for the future is not too encouraging. The crop is not going in under the best of conditions, and I am not in a position to say whether or not farmers will be able to obtain the full amount of feed they may require to finish their live stock. That is something individual farmers will be able to determine much better than anyone here. The fact is that the supply is

low, and it is low partly because we have had comparatively poor crops during the last two years, one year getting a little poorer than the year preceding. The other reason is that people are to-day insisting on farmers placing upon the market all cereals available for human consumption. We think in terms of wheat when we think of consuming cereals in this country, but in other countries they want any kind of cereal at all. They simply say that it takes five to eight pounds of barley or oats to produce a pound of pork or beef, and they go on, "Give us the barley and oats for the present." So we are shipping it out.

Just a short time ago, in the last announcement he made in connection with this campaign, the Prime Minister stated that we had undertaken to ship practically all the feed wheat we had left in Canada for human consumption in Europe, and that at the same time we had undertaken to send five million bushels of oats. We knew we were taking a chance in doing so, that perhaps some people who had chickens to feed might have to go short of that feed, but we took that action as a result of the appeals which were made. The only assurance we can give that there will be sufficient to carry us through is the hope that there will be a good crop this year. If that crop should fail to materialize we shall have further difficulties toward the end of the year. The situation in relation to feed is not good.

Mr. SENN: Could the minister give the committee any assurance that the freight assistance policy, which has been in operation for some time, will be carried on for another year?

Mr. GARDINER: All I can say is that the freight assistance policy under which we are now operating was provided under the War Measures Act. I assume that sooner or later a bill will come before the house which will determine whether or not we are to have authority to maintain such a position by order in council. If we do not have that authority it is my intention to submit to the government legislation which would have to be considered by the government and then, if the government passed upon it, by this house in relation to the matter of paying part of the freight upon grain from western to eastern Canada. The general position at the moment is that we are favourable toward the continuance of freight assistance, though I am not sure I can say the full amount of assistance now being given.

Mr. SENN: Then I should like to ask another question having something to do with the question asked by the hon. member for Lethbridge. Would the minister make a statement on what is being done by his department by way of a sire assistance policy? I understand that in times gone by they purchased bulls, boars, rams and so on which they lent to young farmers' clubs. Would the minister made a general statement on the policy which is being pursued in this connection?

Mr. GARDINER: No change has been made for a number of years. The work is being conducted on the same basis as in previous years. Under this policy, purebred bulls are lent to farmers' associations organized for their maintenance, and used in accordance with the regulations prescribed. There is a list of regulations in that connection. This policy provides farmers, who otherwise would not have access to bulls of superior breeding, an opportunity to improve materially the quality of their cattle holdings. As an adjunct to the regular policy, a limited number of proven sires of approved blood lines are supplied to artificial insemination centres, which were mentioned a few moments ago by the hon. member for Lethbridge. That is the general policy.

Mr. SENN: Would the minister say to what extent it is operating and what advantage is being taken of it by farmers' clubs and so on?

Mr. GARDINER: The department buys the bulls and lends them to clubs. From time to time, after they have given service in one place they are moved to another and new bulls are purchased. In western Canada we have enlarged that plan to include the community pastures we shall be discussing in connection with prairie farm rehabilitation. The dominion department buys the bulls which are put into these pastures, which have the same effect as clubs in the communities. The farmers of the area around and about the pasture run their breeding stock into the pasture and the manager looks after the breeding of that stock with a bull which is provided by the government. In principle, the practice is much the same in regard to the other sires the hon. gentleman mentioned. I can get the details later.

Mr. SENN: I do not want to hold up things at all, but at one time the department had a policy under which it furnished thoroughbred horses to be used with Clyde mares and heavy mares to produce saddle or hunter horses. Is that policy being pursued at the present time?

Mr. GARDINER: Yes, it is still being followed. Of course it is not being utilized to the same extent. There are not as many saddle and driving horses used as at one time, but the policy is still in effect.

Mr. WRIGHT: I should like to ask if the department has done any investigational work in connection with the price at which fertilizer is being sold in Canada. In 1943 we were given to understand in the reconstruction committee, I believe it was by Doctor James, that a new process had been developed in Canada for the manufacture of ammonium nitrate, which would materially reduce the price of fertilizer.

Mr. GARDINER: I wonder if we could carry this item. The question the hon. gentleman is asking comes under the next item.

Mr. WRIGHT: Very well.

Mr. SENN: I should like to ask one more question in regard to poultry. At the present time, and for some time past, eggs put in hatcheries had to be from flocks that were accredited as being free from pullorum and other diseases. There was one danger which was apparent at one time, because of the importation of baby chicks. Are baby chicks still being imported and, if so, what supervision is exercised over that importation?

Mr. GARDINER: I am not certain of the exact position, and I have not the poultry adviser before me at the moment. However, I shall try to have him here a little later and give my hon. friend an answer.

Mr. SENN: I think it is quite important.

Mr. GARDINER: Yes, it is.

Item agreed to.

Production service—

21. Plant products—seeds, feeds, fertilizers, insecticides and fungicides control, including grant of $25,000 to Canadian Seed Growers' Association, $708,256.

Mr. WRIGHT: If I may follow up the question I was asking, I had inquired if the department had done any investigational work into the price of fertilizers being sold in Canada. I said that Doctor James had given evidence before the committee on reconstruction and rehabilitation in 1943, stating that new developments in the production of ammonium nitrate would reduce the cost of fertilizer. This reduction has not developed, to date. At that time, too, the committee on war expenditures had recommended that the plant at Calgary should be operated by the government after the war for the production nf fertilizer in Canada.

According to recent press reports, it appears that this plant has been disposed of to Consolidated Smelters. In view of the fact that fertilizer is becoming more important to agriculture in Canada, I suggest that the Department of Agriculture should do some investigational work in respect of the prices being charged for fertilizer, in an effort to see that it is made available at the lowest possible figure.

Mr. HENDERSON: I rise as one of the representatives of one of the geographically favoured parts of Canada, southwestern Ontario, comprising the counties of Huron, Lambton, Middlesex, Elgin, Kent and Essex. This portion is geographically favoured, as our latitude of 42 degrees—it will be seen by tracing it out on the map—is the same as that of a large part of the well known state of California. It is often said that this area is the banana belt of Canada, and though we do not grow bananas, our soil and climate are such as to make this a highly productive region for many of the well known and specially favoured canning fruits and vegetables with which we are all so familiar. The composition of the soil is similar to that of the great agricultural states of Illinois, Ohio and Indiana, and our climate being on the border-line of the warm southern states and the colder northern parts of Canada brings us a great variety of insect pests and plant diseases peculiar to both the hot and the colder geographical regions of North America.

The existence of some 20,000 types of insects that may have an injurious effect on the crops of this area is a hazard that cannot and must not be overlooked. The estimated value of this highly productive area in 1943 was $99 million, and the estimated loss from insect pests was eight per cent, or approximately $8 million. This is a staggering loss, not only in monetary value, but in food, which at present is so urgently needed. Since this area, in conjunction with the rest of Canada, is exhorted to produce as we never produced before, we are bringing this matter before the department for its utmost consideration, asking its greatest assistance by way of supplying trained men to help the farmers combat these pests, and thereby overcoming this farm loss.

It is true that our farmers are doing all they can to carry out the methods as recommended to them by departmental experts, but in spite of this we are waging a losing battle. Our clover crop, one of our best winter feeds and soil builders, for reasons entirely unknown, is decreasing year by year. Our exacting methods of farming require a clover crop in our rotation cycle, and we cannot afford to lose it.

Our preferred list of field crops, including tobacco, sugar beets, soya beans, vegetables, fruit crops and field beans, all suffer from important and urgent disease conditions. These are in addition to and far removed from the above-mentioned insect pests.

The farmer, with a layman's limitations, is in the unhappy position where having done all he can do, he still faces the possibility of either complete loss of a vital crop, or an annual loss of staggering proportions.

Since, in this area, we are asked to plant and cultivate 35,000 acres of sugar beets this year, and since, to date, some 26,000 acres have been contracted for, it is urgent that I again bring to the attention of the committee a disastrous plan disease called a nemotode, which is seriously affecting this plant in as yet certain defined areas. But its ravages are spreading. This same nematode is what created such havoc in the sugar beet area of Utah. The entomologists of the Department of Agriculture are well aware of its existence, its ravages and its menace and have made some surveys concerning it; but as yet no complete eradication action has been taken.

The field bean crop is one of great importance because it comprises a large acreage and is a favoured crop in all this area, since some 58,000 acres were reported as of 1942, with noticeable increases in the succeeding war years. Although this acreage may look small to our western wheat growers who compute their acreage in the millions, it was nevertheless a valuable food contribution in our war effort, and was a substantial cash crop to the hard-worked farmer. It requires much attention during the growing and harvesting periods, and scientific skill is required for its successful completion. In addition to the insect pests that attack it, it is also subjected to a plant disease called the fusarium wilt, which as yet is an undetermined disease.

A disease peculiar and injurious to our corn crop is the ear and stock rot. Those peculiar to the tobacco crop are black root rot, brown root rot, blue mould, seedling diseases, and leaf spots. The soya bean is also not lacking in plant diseases, because it is subject to virus diseases, pod and stem blight, and fusarium wilt.

I bring this matter to the attention of the minister at this time further to magnify the farmer's drawbacks and difficulties, and also his dependence on the Department of Agriculture for their trained and scientific assistance and knowledge in combating and overcoming his great drawbacks and difficulties.

Excellent work is being done by the dominion laboratory of plant pathology at Harrow, but here again the staff and facilities available are not sufficient to cope with the many diseases affecting these vital crops.

In addition to the laboratory at Harrow, the dominion government has set up a dominion entomological laboratory at Chatham. These laboratories have been doing excellent work, but the needs are so increasingly great that an enlarged service is necessary. It is appreciated that there is great difficulty in obtaining greater numbers of highly trained personnel, larger buildings, and more equipment to study the origin and control of these insect pests and plant diseases which are playing such havoc. But it is considered that the potential hazards are so great that no effort on the part of this department should be spared in attracting personnel to the fields of pathology and entomology, and also in obtaining the buildings and equipment so necessary for the carrying out of their scientific work.

It is recommended that the dominion entomological laboratory at Chatham and the dominion laboratory of plant pathology at Harrow be expanded to meet present and anticipated future requirements.

The department has recognized our requirements by setting up these two stations to study plant diseases and insects. All of us from that part of the country join in asking for further support. I notice that in the estimates this year there is an extra $89,662 for that particular branch of agriculture, but I exhort the minister on behalf of those six townships for a just and equitable share so that we may carry on as we should like to.

Mr. GARDINER: I rise at once to call attention to the fact that that matter would come under items 8 and 9 which were passed some two weeks ago. I have allowed the statement to be placed on the record without raising a point of order, because I assume the hon. member was not here at that time. I suggest that those who were here discussed the matter fully and I hope we are not going to have another discussion on the same matter.

Mr. WRIGHT: The minister has not answered my question.

Mr. GARDINER: One plant in Ontario is being operated, and there is another one under operation at Trail. A plant was constructed at Calgary, principally for the production of nitrates which were used to make explosives during war time as well as in the production of fertilizer. As was suggested by the hon. member for Melfort, my understanding is that nitrates can be produced at a low cost at Calgary. Unfortunately, the type of fertilizers required in western Canada does not require great quantities of nitrates. The plant could be utilized for the production of fertilizers which could be exported, and it could be used in a limited way to provide cheaper fertilizers even for Canada. The plant in the Niagara peninsula is to be used for the

production of explosives under arrangements made with the British and French governments and this plant can supply the nitrates necessary for the production of fertilizers. When all the facts are taken into consideration, in all probability this plant in Ontario can supply fertilizers as successfully and at approximately the same cost.

I do not want to be misunderstood. My information is that if we could utilize the Calgary plant wholly or even partly for the production of fertilizers there would be an advantage in operating that plant. We did not lightly dispose of the plant. The Canadian federation of agriculture approached me a year ago to inquire about the possibilities of the government operating the plant. We examined all the factors, and the results of the investigation were such as I have just stated.

When it was apparent that the government would not be interested in operating the plant I got in touch with the pools in western Canada and suggested that they investigate the matter to determine whether or not farm organizations might be interested in operating the plant. The result was that no one desired to assume the responsibility of operating the plant under all the circumstances and with all the information available. It was not thought, because of the amount of money which would have to be invested, that the plant could be operated as a separate unit by either the farm organizations, the provincial government or the federal Department of Agriculture.

As a matter of fact I made application on one occasion on behalf of the federal Department of Agriculture for full information with a view to our operating it for the advantage of the farmers. After obtaining all the the information, I came to the conclusion that those who were advising against it were probably more correct than I if I insisted upon having the plant operated by the Department of Agriculture as an operation separate from the other operations in Canada.

Mr. WHITE (Middlesex East): At the beginnning of the discussion on the agricultural estimates the minister said that the Canadian seed growers would be given a grant of $25,000. While the grant this year is increased by $6,100 over the grant of last year, it really is not an increase. This year there was a deficit of $6,100, and the Canadian seed growers asked the government to make this up. This is a rather small grant which pays large dividends and I am wondering if it could not be increased.

Mr. GARDINER: The grant to the seed growers last year was $18,900 and a request was made for an increase of $6,100. It was intended that the original grant of $25,000 should be increased by that amount this year, making it $31,100. Some mistake was made when the matter was being considered and the $6,100 was not added. I am proposing to provide for the additional $6,100 in the supplementary estimates. At the moment I cannot say that this will go through either the treasury board or council, but I hope it will come to the committee later on in the session.

Mr. JOHNSTON: I understood the minister to say that the plant at Calgary would eventually be closed.

Mr. GARDINER: I did not intend to say that. My understanding is that the plant at Calgary was sold to Consolidated Smelters and I assume that they will operate it. I was attempting to show that the plant in the east can be operated by the government to do two jobs, and the department concerned did not feel that they could successfully operate the Calgary plant along with the other one which would have to be operated in any event. They argued that the Calgary plant should be sold to the highest bidder. I attempted to have the farm organizations put in a bid. I am not sure whether the plant would have been turned over to Consolidated Smelters if the farmers had put one in even lower, but my understanding is that the only bid was from Consolidated Smelters. The bid was considered reasonable and the plant was sold to them. I do not assume that they are going to close down this plant.

Mr. JOHNSTON: I do not think the plant will be closed down, although its operations have been reduced. Before I left home at Easter I know there was considerable difficulty in getting fertilizer there. I was unable to understand why that was so, because the plant had been converted for some time to the production of fertilizer. Especially was it difficult for the returned man to get fertilizer from the plant at Calgary. In fact I had to get in touch with the manager personally to obtain fertilizer for veterans. The supply was so short that a certain amount was allotted to each district and the farmers were not given the amount they required.

Mr. GARDINER: Was that in Alberta?

Mr. JOHNSTON: Yes. Farm organizations throughout the whole district had put in their orders and the general policy of the plant was—and this is what I took exception to—that no returned man could be given fertilizer until the orders from these farm organizations had been filled. Another difficulty was that

a returned man could not get fertilizer unless he had purchased it the year before. They were fighting the year before, and when they came back from the battlefield to the farm they found they could not get fertilizer. No relief was given until I personally telephoned the manager in one or two cases, and he was good enough to take the matter up and see that they did get fertilizer.

The whole point I want to make is that the amount of fertilizer being produced in Canada is not sufficient to supply the local demand. If the minister had thoroughly investigated the whole situation before turning down the idea of taking over the Calgary plant, which was not producing at full capacity, he would have found that the supply was not beginning to meet the demand for fertilizer. If the supply is short in Alberta it must be short in Saskatchewan and, I would think, in Manitoba too. If this plant were producing at capacity it would be of great assistance to agriculture and incidentally the company would be making a profit. I cannot explain why they are not producing enough to supply the demand unless they consider that in two or three years the demand will drop off and that therefore it would not pay them to go into greater production. Certainly at the present time the demand for fertilizer far exceeds the supply, and I think the minister would be well advised to investigate to see what can be done to expand the production of fertilizer.

Mr. GARDINER: The plant at Calgary does not produce fertilizer, but nitrates. Nitrates are not used to any great extent in producing fertilizer in western Canada. They are used to mix with other ingredients in producing fertilizer. If we were to operate the plant at Calgary to capacity it would supply all the nitrates that are needed in all Canada and in a considerable part of the United States. It is not a case of operating that plant to get fertilizer. Our information is that fertilizer is available for all the prairie provinces. No shortage has been reported to us from the prairie provinces. There may be certain areas which do not have not their share; I do not know about that, but the report we have is that there is sufficient fertilizer for the prairie provinces.

Mr. JOHNSTON: Technically the minister may be right. The plant itself produces nitrates, and these nitrates may be shipped in some form or another to be made into fertilizer. But there definitely is a plant there for the distribution of fertilizer. I got in touch with the manager to see that these returned men got some fertilizer, and it was quite evident from the information I got from him that the fertilizer which is being distributed from that particular point is in short supply. I cannot reconcile the minister's statement with the information given to me by the manager because he definitely stated that they did not have a sufficient supply to meet the demand. If a returned man were just starting in on the land he could not get fertilizer because he had not purchased the year before. The only reason he got it was that I interceded with the manager, and he told me that he had to get in touch with the local agent and say to him: "We have allotted you so many tons to fill the orders you have sent in from the farmers around, and you will have available to these returned men." That is how critical the shortage was. The minister should make a further investigation of the situation.

Mr. HATFIELD: I commend the minister for putting the grant back to $25,000 for the seed growers' association, and I hope he will be able to increase this amount in the supplementaries because this association is doing a good job. I would ask the minister what the policy is to be in regard to fertilizer and fertilizer chemicals in the future. During the war you have been subsidizing the trade and equalizing freight rates in different sections of the country. Is this policy to be continued?

Mr. GARDINER: I should correct my statement to this extent. The seed growers proceeded on the basis that they would get $25,000 this year and that we would make up that $6,100 to them in addition to giving them the total of $25,000. It is to make up that $6,100 that we are suggesting a supplementary vote.

Mr. HATFIELD: What will be the policy with regard to fertilizer chemicals this year?

Mr. GARDINER: I am not in a position to state definitely what the policy will be this year. A recommendation has been before me but it has not yet been passed. If my hon. friend will repeat his question at a later day I may then be in a position to state what the policy will be.

Mr. STEPHENSON: There was a report in the press that blue mould had appeared in tobacco in the Delhi district and was causing the growers concern. Would the minister state whether that is true and whether anything is being done to combat blue mould in tobacco? It appears in the greenhouse stage.

Mr. GARDINER: The only information I have with regard to that is the item in the

paper. I did see that; but that, again, is back under "plant pathology", and the official who might know about it if it has been reported is not here. We shall get the information on that, as to what extent it has developed.

Mr. PEARKES: This afternoon I received a letter from a dairyman near Ladysmith, complaining that the production of his crop is retarded owing to the difficulty of obtaining agricultural hydrated lime. He says that he has been to all the dealers who usually supply lime and that they have told him that, owing to the request to increase the price of lime by, I think, $1 a ton having been refused and an increase of only fifty cents a ton having been authorized, there is no lime available. He also makes reference to a subsidy being paid on lime and wishes to know whether that is a subsidy on lime for export purposes only. Could the minister inform me concerning the situation regarding agricultural hydrated lime in British Columbia?

Mr. GARDINER: It involves the same information which I said a few minutes ago I was not in a position to give at the moment, with regard to what may be paid in connection with the promotion of the use of lime and other ingredients of fertilizers during the years 1946-47. There was assigned to British Columbia in 1945-46 the sum of $15,200, assistance being given out of the amount which was allocated for that purpose. As to what it will be this year, I shall not be in a position to say until the regulations now being presented to council are finally passed.

Mr. PEARKES: I assume that all supplies of lime in respect of which assistance was granted in the previous year have been used up.

Mr. GARDINER: Yes. It was really assistance which had to do with shipping from the source of supply to mixing plants, and bringing into Canada from outside some of the ingredients, and there were certain regulations with regard to what was imported and certain regulations with regard to what is produced in Canada. The materials are shipped to the mixing plant, mixed, and distributed as fertilizer. The regulations are being changed this year; and the form of assistance, if any, which finally comes before the government is being changed to some extent, owing to the fact that conditions have changed with the end of the war. Many of the ingredients of fertilizer are utilized in war time for war purposes. Distribution is now on a somewhat different basis; the assistance, wherever it is given, will be on a somewhat different basis, and on some ingredients there may not be assistance.

Mr. WRIGHT: There has been considerable criticism in the press, and I have heard it elsewhere, as to the quality of the insecticide DDT which is being sold, that it is not doing what it was supposed to do. Does the department make any inspection of the quality of this material before it is sold?

Mr. GARDINER: The department chemically analyses it, and my information is that, so far as we know, there have been no difficulties in connection with it.

Mr. BENTLEY: It has to be made according to certain standards?

Mr. GARDINER: Yes; it is chemically analysed by the department.

Mr. BENTLEY: And analysed as it goes out?

Mr. GARDINER: There is a chemical analysis made of the product.

Mr. BENTLEY: There is a standard which has to be maintained by the manufacturers?

Mr. GARDINER: Yes.

Item agreed to.

Production service—

22. Grants to fairs and exhibitions, in the amounts detailed in the estimates, $30,000.

Mr. GARDINER: Probably I should make a short explanation in connection with this item. The amount here is just the amount which has been paid during the war years. It will be remembered that back about 1941 or 1942 grants to fairs were discontinued because of the necessity to utilize all funds available in the prosecution of the war. This is one of the items which was cut down materially. It is the intention to reestablish fair grants, though probably not on exactly the same basis as they were before. It will be remembered by those who were here at that time that there was a strong agitation all across Canada among those who were operating fairs to have the basis of paying the grants changed, and at that time we were on the point of reorganizing the whole system of paying grants. Consideration of the matter was discontinued until lately, but quite recently the organized fair associations have had representatives in to see us; we have gone into the whole question of grants with them. A new system is being set up. We expect to bring down supplementaries dealing with these grants before the end of the session, in fact as early as possible, because the fairs will be coming along very shortly, and it is desired to make known to those fair boards which are going to operate this year just what the situa-

tion is. However, most of those who have been in to see us and who operate the larger fairs do not expect to get under way this year, but they desire to know what the plan is, and they will be under way a year from now.

Mr. SENN: May I ask the minister what the basis is?

Mr. GARDINER: The basis has more to do with the establishment equipment.

Item stands.

THE ROYAL ASSENT

A message was delivered by Charles H. Larose, Esquire, Acting Gentleman Usher of the Black Rod, as follows:

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

Accordingly, the house went up to the Senate.

And having returned.

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

An Act to amend the Department of External Affairs Act.

An Act respecting the Financial Agreement between Canada and the United Kingdom signed on the sixth day of March, 1946.

An Act to amend the Criminal Code. (Race meetings).

An Act to amend the Export Act.

An Act to amend The Opium and Narcotic Drug Act, 1929.

An Act respecting the Manufacture, Testing, Sale, Storage and Importation of Explosives.

An Act to amend the Yukon Quartz Mining Act.

An Act to incorporate Canadian Acceptance Company.

An Act respecting Rupert's Land Trading Company.

An Act to amend the Navigable Waters' Protection Act.

An Act respecting the appointment of Auditors for National Railways.

An Act respecting the boundaries of certain National Parks.

An Act for granting to His Majesty certain sums of money for the Public Service of the financial year ending the 31st March, 1947.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 128, for the relief of Edith May Hort Search.—Mr. Maybank.

Bill No. 129, for the relief of Alexander Thompson Powell Scott.—Mr. Maybank.

Bill No. 130, for the relief of Frances Eleanor Miller Foster.—Mr. Casselman.

Bill No. 131, for the relief of Mary Kathleen Maloney Rassie.—Mr. Maybank.

Bill No. 132, for the relief of Mildred Florence Rooke Cochrane.—Mr. Maybank.

Bill No. 133, for the relief of Eileene Ruby Aspell Stinson.—Mr. Maybank.

Bill No. 134, for the relief of Edna Bookalam Howick.—Mr. Casselman.

Bill No. 135, for the relief of Berthe Alice Cardinal Reid.—Mr. Maybank.

Bill No. 136, for the relief of Elizabeth Jean Warden Leupold.—Mr. Casselman.

Bill No. 137, to incorporate Evangelical Chuches of Pentecost.—Mr. Dechene.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF AGRICULTURE

Production service—

22. Grants to fairs and exhibitions, in the amounts detailed in the estimates, $30,000.

Mr. BLACK (Cumberland): We were discussing this item before the house rose at six o'clock. At that time the minister gave the committee assurances with respect to certain supplementary votes which would enable exhibitions to carry on their activities. I should like to have a more specific undertaking from the minister with respect to the maritime winter fair, an exhibition which has been carried on for about thirty years or more, and has done more than any other activity in the maritime provinces to encourage stock raising and improvement in the quality of stock.

The buildings of the maritime winter fair are under the control of the stockbreeders' Association and, in a patriotic gesture, were handed over at the commencement of the war to be used for military purposes. The result has been that those buildings have continued under the control of the Department of National Defence, and at that point, up to the present time, a large ordnance storage warehouse has been established. An undertaking was given to the stockbreeders that

the premises would be vacated at the end of this month. The association has had meetings from time to time, and I understand it is their wish that the maritime winter fair be reestablished this autumn. In order that this may be done, it is, of course, necessary for them to have grants from the different governments.

The mere fact that the exhibition was discontinued during the years of the war makes it necessary that much additional work be done by the director and others who are interested in the success of the fair. It is desirable that assurance be given by the minister that an adequate vote will be provided in the supplementary estimates to enable the continuance of this exhibition. I regret that provision has not been made in the main estimates. It is important that assurance be given, so that these people may go ahead on the understanding that the grant will be available and that the fair may be reestablished this year.

Mr. GARDINER: The Amherst fair has a building which was constructed with assistance from the federal government. I believe the last agreement entered into was in 1939, the first payment being made in that year. That agreement was for $50,000, for a period of ten years, $5,000 a year to be paid until 1948.

Mr. BLACK (Cumberland): For the construction of the new arena.

Mr. GARDINER: Yes. That is the building which was utilized by the armed forces during the war.

Mr. BLACK (Cumberland): One of them.

Mr. GARDINER: Yes, one of them. The same thing has happened in respect of most exhibition grounds across Canada. During the war, buildings were taken over for military purposes, and they are being turned back at the present time. I believe the agreement under which they were taken over by the Department of National Defence was that they would be reconditioned and put back in much the same shape as when they were taken over.

Answering a question asked by the hon. member for Haldimand, may I say that the plan of grants now being worked out is in these terms. We consider it important that these grants should be based upon equipment rather than upon the prizes offered at the fairs. The old grants were based upon prize lists; and representations have been made to the effect that in respect of both winter fairs and others it would be more helpful if the grants were based upon equipment, not only in the matter of buildings, but equipment necessary for the proper exhibiting of farm products.

For example, as everyone knows, there has been a marked development in the matter of cold storage and refrigeration. At the beginning of the war, strong pressure was being brought to bear to have grants based upon the placing of equipment which makes it possible to exhibit to better advantage dairy products, meat products and everything of that kind.

I believe the system of grants which will be introduced later in the session by way of supplementary estimates will be based upon equipment rather than upon prize lists. One reason I am anxious to bring that in this year has to do with the very point just raised, namely, that some of these boards will find it possible to put on exhibitions this winter in the form of winter fairs. Some others may not be able to. But I think all of them feel that they should be placed in a position where they can put on exhibitions next year. Where the grants are based on equipment, they ought to know in advance what the grants will be so that they can equip their plants in order to carry on exhibitions successfully at a later date.

It is with the idea of giving that information at the earliest possible date that I hope to be able to have something in the supplementary estimates dealing with this matter. I am not in position to say what the amount will be for the fair at Amherst, but whatever it is for fairs of that type, the same grant will be paid to Amhrest as is paid elsewhere and I think it will be satisfactory.

Mr. BLACK (Cumberland): I do not know just how a grant based upon equipment will affect the maritime winter fair which serves Nova Scotia, New Brunswick and Prince Edward Island, but it would appear to me that the directors of the maritime stockbreeders' association and the commissioners of the maritime winter fair would be at a great disadvantage if it were required that they should put in new installations in order to qualify for a grant. They have not been able to hold fairs during the years of the war and, therefore, have not been able to add to their equipment from year to year. I have no particular information about what funds they have on hand, but I believe it is their general policy to distribute all revenues to exhibitors and to provide facilities in order that stockbreeders may exhibit.

It would appear to me that the minister or some of his officials should have a request or an application from the representatives of the maritime winter fair setting out their require-

ments. This is a big undertaking on their part, and it is in the interests of agriculture in the maritime provinces that the fair be re-established as early as possible. There should be a clear understanding as to what is expected of them and as to what they may receive in the way of grants to carry on the exhibition this year. This is usually held in November, and they should know as soon as possible what is to be procured from the three maritime provinces in order to supplement the grant from the federal government. I should like to have a statement from the minister as to what the department is prepared to do.

Mr. GARDINER: All the fair boards across Canada have made representations. I should have said that the basis of the grants for winter fairs will be somewhat different from the grants to A and B fairs. There is more likely to be some provision for prizes in connection with the winter fairs. I believe there is a fairly definite understanding between the fair boards right across Canada and the officials of the department as to what these grants ought to be. Of course they will be paid on the same basis right across Canada. I am not in position to discuss the question on this item because there is no money being voted for that purpose. The $5,000 being voted here for Amherst is to carry out a ten-year agreement made in 1938. This has to do with the building of the arena that was erected for show purposes.

As a matter of fact I opened the fair the year preceding the one in which this grant was first made. We discussed the whole matter and went into the possibilities of developing better facilities. The grant will be completely paid out in another two years. It is assumed that the department will go on promoting fairs across Canada on a somewhat similar basis to that which prevailed prior to the war, although there may be some changes based on the experience we have gained and the arrangements made with the provinces as well as with the fair boards as to what proportion is to be paid by each.

Mr. CRUICKSHANK: Will consideration be given in the supplementary estimates to class B fairs ?

Mr. GARDINER: It will be for class A and B fairs.

Mr. McKAY: I believe the policy just announced by the minister of basing fair grants on equipment is a step in the right direction. Since these items are to appear in the supplementary estimates which will be brought down shortly, I should like the minister to state whether or not grants will be paid for building replacements. Last year the buildings used by the Weyburn agricultural society in southern Saskatchewan were destroyed by fire. They have since been replaced at considerable expense to that organization. All through the country fair buildings need replacement, particularly those in the west. Very few buildings were constructed during the war to replace the ravages of fire, wind and over-all depreciation. The minister has stated that, from now on, grants will be paid on a different basis, that of equipment, and I suggest that the replacement of buildings be considered as part of the new policy in order that these fair boards and agricultural societies may repair the ravages of time on buildings used for housing agricultural exhibits of various kinds.

Mr. BROOKS: I just want to add a word to what my seatmate, the hon. member for Cumberland, has said with reference to the maritime fair. For nearly fifty years this fair has been carried on in the maritime provinces. Ever since I can remember anything about fairs, the Amherst fair has been very popular in New Brunswick, Nova Scotia and Prince Edward Island. I hope the minister will be able to give some assurance to the hon. member for Cumberland and to this association that something will be provided in the supplementary estimates to help carry on this fair this fall.

Mr. LENNARD: According to the details of this item, there is nothing for the royal winter fair which is to be held this coming fall in Toronto. Has it been the custom of the dominion department to support that fair?

Mr. GARDINER: We have supported the royal winter fair in Toronto to a greater degree than any other fair in Canada.

Mr. LENNARD: Why has it been left out of the estimates this year?

Mr. GARDINER: The arrangements in connection with the buildings were made with the Canadian national exhibition board, but the payments are all paid up in Toronto. The board have been here in strength on a number of occasions and are pretty well looking after their future requirements.

Item agreed to.

Production service—

23. Grants to agricultural organizations, in the amounts detailed in the estimates, $38,500.

Mr. NICHOLSON: There is apparently a new item here which requires some explanation, $5,000 for the Canadian hunter, saddle and light horse improvement society. While the grant is not large, in the face of the

difficulty which other organizations have in getting grants I think the minister should make some statement.

Mr. GARDINER: Prior to the war the Canadian hunter, saddle and light horse improvement society recieved a grant to assist it in carrying on its work of securing and distributing suitable hunter type stallions for the production of saddlers, hunters and light commercial horses. There is a large and increasing demand for Canadian horses of this type. The grant is considered necessary to assist the society in maintaining and extending its activities.

This grant was discussed last session, when the hon. member for Nanaimo raised the question and we had some discussion about it at the time.

Mr. NICHOLSON: With a hungry world clamouring for food I think this is hardly the time to include an item of this size to encourage the people of Canada to embark upon the production of hunters, saddle and light horses. In normal times those who wish to have this type of relaxation might well enjoy this luxury but I cannot see why this item should be in the estimates at this time when so many other more important items cannot be included. The explanation given by the minister is certainly not very convincing to me.

Mr. GARDINER: While there are hungry people in the world, there are a great many other people who are concerned with providing food for those who are hungry, and I do not know any part of Canada where it is more necessary to have this type of horse than in the section from which I come and the section from which the hon. member for Mackenzie comes. A while ago one of the agricultural experts in western Canada visited my farm. He is not particularly a political friend of mine, being more friendly to some of my hon. friend's friends, and as he walked over the farm he said, "I am pleased to see that you have two light horses, bred from a cross between hackney, Percheron and standard bred. That is the kind of horse we ought to have on more farms in western Canada." I use those horses to get into town in winter. You cannot drive a car in some parts of Canada all the year round, and farmers in western Canada require that type of horse to get in and out between the farm and town. They do not always ride in the saddle because they use a saddle horse. I use a cutter or a light sleigh. The only way I have of getting into town in the winter is by using a light horse, unless I get a jeep.

Mr. NICHOLSON: The minister is still living in the horse-and-buggy days. He does not believe in tractors.

Mr. GARDINER: I travel as fast as my hon. friend when I am out there.

Mr. NICHOLSON: The last time tractor farming was discussed by the minister he said that he had never had a tractor on his farm and never planned using one.

Mr. GARDINER: I have not had one yet but I am going to get one, I think.

Mr. NICHOLSON: I am glad the minister is making progress in that way. Would he tell the committee just where this money is to be spent?

Mr. GARDINER: Wherever there are hunter, saddle and light horse improvement associations. The last time I was in Regina I sat in the grandstand and watched some of the finest horses in Canada going over the jumps. They belonged to people all over that area, some from the Weyburn area, some from the Lumsden area and elsewhere. People were enjoying themselves looking at those horses perform. I am sure they would take them back home to their farms roundabout and use them not only in winter but during the summer season. The grant is used all across Canada in different areas where people require these horses.

Mr. NICHOLSON: I have no quarrel with people who want to ride for pleasure.

Mr. GARDINER: They are not riding for pleasure.

Mr. NICHOLSON: I am complaining about the minister including a grant of this kind when other grants for more useful purposes are not included.

Mr. GARDINER: The places where the money is spent include Ailsa Craig and Brampton, Ontario, in the constituency of the hon. member for Peel; Russell, Manitoba; Shaunavon, Saskatchewan; Kamloops, British Columbia, and at different places. There were twenty-four stallions in all last year.

Mr. WEBB: I notice that there is a grant to the Canadian council on boys' and girls' club work. That is important to me. Would the minister explain how far this activity extends?

Mr. GARDINER: The grant is $5,000. The boys and girls are encouraged to feed calves, pigs and lambs and exhibit them at shows that are held across the country, including those live stock shows that have been mentioned. The practice has been for the prize-

winning stock to be sold at auction, and those who are interested in the live stock industry go there and bid fairly high prices for the live stock. It promotes the industry and encourages the boys and girls to take part in the production of better live stock.

Mr. WEBB: I am strongly in favour of this item, which I think is too small to encourage this work right across the country. It helps to keep the boys and girls on the farm and I should like to see the item increased some day.

Mr. HATFIELD: There is an item of $18,000 for Canadian national live stock records. Is this organization not self-sustaining and has it not a big surplus built up?

Mr. GARDINER: It is an organization of live stock breeders associations that keeps live stock records. We have given a grant of $18,000 for many years. The grant is the same size as it was when I came here ten years ago. The organization gives an efficient service. Sometimes it has been thought that we should give this service as part of the operations of the department itself, but the service has been so efficient and so satisfactory to the breeders' associations that we have hesitated to take it over and bring it under the department. I do not know that they have a large surplus. I cannot answer that question because it is not a branch of the department.

Mr. HATFIELD: They make a charge for their services, and I understand that they have a one million dollar surplus. Then why continue this grant?

Mr. GARDINER: I understand that the different associations have surpluses but that the records organization has not. I understand that they get their start from the fees mentioned, plus some assistance from the association and some from the government.

Mr. HATFIELD: Do they not furnish a report to the government?

Mr. GARDINER: They report on the money we grant and give us a record of their position when it is required.

Mr. BENTLEY: Is the Canadian council on boys' and girls' club work the organization that brings the winners to the royal winter fair at Toronto?

Mr. GARDINER: That is one of the grants that we have continued during the war. Their final meet is held in Ottawa.

Mr. BENTLEY: And that comes out of this grant?

[Mr. Gardiner.]

Mr. GARDINER: Yes.

Item agreed to.

Marketing service—

24. Marketing service administration, $113,322.

Mr. ROSS (Souris): Last week, when the Minister of Agriculture was in Washington, the following press release appeared in the papers:

LaGuardia raps low wheat price paid in Canada

Criticism was expressed by UNRRA director, F. H. LaGuardia, at the united nations food and agriculture conference Tuesday. He said the nations cannot get away with "squeezing their farmers any more."

Farmers are industry's best customers. President Roosevelt understood this and obtained legislation insuring parity between agriculture and labour.

This, however, has had a great bearing on Canada, resulting in disparities which must be adjusted.

Mr. Gardiner said "Mr. LaGuardia seems to have little knowledge of Canadian economy. There is far greater parity between the incomes of farmers and labour in Canada than there is in the United States."

I should like to ask the Minister of Agriculture if he was correctly reported. If so, this would be the proper time to give us some facts to substantiate his statement.

Mr. GARDINER: I have done that so often during this session that I am afraid I would be wasting the time of the committee to do it again. I doubt if there is anyone in the committee who does not realize that we have better than parity prices in Canada. The situation, however, which was being referred to by Mr. LaGuardia at that time had not to do with wheat. The suggestion made was that he was dicussing the relatively low price of wheat in Canada. What he was really discussing was the general world position in relation to food, and laying before the meeting which was held to discuss that situation the conditions existing in the United States in relation to the matter of food. He did pass the remark, toward the end of his comments, that they had made certain provisions in the United States for parity and that the level of prices in the United States provided for under that arrangement did have some effect on Canada. I do not think his intention was to imply that our prices, being lower than theirs, had any particular effect upon the relationship existing in Canada as between what the farmer paid for necessities and what he obtained for his product. His meaning, I thought, from discussions I had with him afterwards, was that if you are going to maintain one price level on one side of the line and another price level on the other side of the line, difficulties are bound to develop in the course of time because of the differences.

The newspaper reporter who asked me what I thought about it at the moment got this reply, that "I am quite certain that the greatest difficulty we have in maintaining price levels as between the United States and Canada results from the fact that we have high tariff walls and that one of those is related to wheat." If anyone mentioned wheat in connection with any of the discussions, it was I. I said that there was no possibility of our ever having the same price level in Canada as in the United States so long as the United States maintained its duty against wheat of forty-two cents a bushel.

I should like to say, now that the question is up, that in my opinion the 42-cent duty on wheat going from Canada into the United States has more to do with the wheat problem throughout the world, both in peace time and during the war than any other one thing. I think, when we are talking about removing obstructions from trade and making it easier for people to assist in feeding one another, one of the first things which ought to be done in some way or another is to have that obstruction removed from the handling of wheat on this continent; and until it is removed there will always be trouble in maintaining price levels as between the United States and this country. That is the remark which I made, and I want to make it here.

Mr. ROSS (Souris): Just on that point, the Minister of Labour issued on May 6, a pamphlet setting out the prices of five articles, namely, butter, eggs, sugar, bread and milk, for 1920 as compared with 1946, and indicating a reduction of approximately 46 per cent in prices this year as compared with 1920. But he omitted to state that industrial hourly wages in Canada have increased by over 30 per cent since 1920, which of course is an added injustice to our farmers; and, according to the government's own records, the wages of farm labour between 1939 and January, 1946, have increased by 110·8 per cent.

Other arguments which we have gone through in the past do not need to be repeated. But I may just point out that during the first great war our farmers received 29 per cent of the national income; during the last great war their share of the national income was only 18 per cent; and everybody knows the variation in prices prevailing on both sides of the line for cereals, meat and dairy products. Only the other day I noticed in a Winnipeg newspaper an article wherein the deputy minister of agriculture of Manitoba, in addressing a group of women consumers on the milk problem, stated that never in his recollection of the history of this country had there been so many dairy herds being disposed of as had occurred this spring in Manitoba. I believe the same state of affairs applies throughout the dominion. The minister has admitted that implements of farm production can be bought cheaper in the United States than in Canada. On the other hand, I am sure that if anybody will take the trouble to go to banks situated a few miles apart in Canada and the United States he will be amazed at the result of a comparison of bank deposits of farmers on the Canadian side and in the United States during the last six years.

Mr. HERRIDGE: Mr. Chairman, I wish to make a few observations on marketing from the point of view of my farmer constituents. We have heard so much from another section of Canadian producers that I think it is about time you listened to representations on behalf of British Columbia farmers. The men with whom I have worked for forty years are not large farmers, but men who have hewn their small farms out of the woods and are more acquainted with the axe, the grub-hoe and the walking-plough than the combines and tractors and rubber-tired machines on which my hon. friends to my right ride around in comfort to do their work. On the whole, the British Columbia farmers find it necessary to work both summer and winter in order to make a living, and I have never seen many of them staying at the Empress hotel in Victoria. But I must say that they are people who have accomplished something, and I am going to put forward their views this evening as the views of people who are not asking the government to do something for them, except to this extent, to provide them with the necessary legal machinery to give them the protection necessary to enable them to work out their own economic salvation.

I might say, Mr. Chairman, that I am a citizen of no mean village. I can illustrate briefly what has been done by these people in a cooperative way. I come from a village which, with a district covering a radius of ten miles, contains about 750 people. I have been in that district almost since the first tree was chopped down. I have seen every acre cleared; I have seen every orchard planted. These 750 people, representing many races, including the various peoples of Europe and different portions of the British isles, have, as a result of cooperative action, in that time built and paid for their own irrigation system and, although it cost $50,000, do not owe a dollar; it supplies water to these farmers at a dollar each per month. They have built their own nine-hole golf course and recreation grounds at a cost of $10,000 and do not owe a 5-cent

piece. They have built a community hospital at a cost of $47,000, of which they do not owe a cent. The legion branch in that district, composed of several farmers and farmers' sons, and numbering sixty-seven members, have completed a legion hall worth $15,000 and on which there is not a cent of debt. I mention these facts as an illustration of the type of cooperative effort that goes on in the district which I represent, and which is general throughout the Kootenay district. These people have put forth a tremendous effort along cooperative lines, and they are simply asking the government to give consideration to a type of legislation which they deem necessary to protect them in the future.

Before proceeding further, I must say that the farmers of my constituency believe that, on the whole, the government has handled the marketing of their major products during the war period in a commonsense way and has, on the whole, met very difficult circumstances satisfactorily. But they are concerned with their position when the National Emergency Transitional Powers Act ceases to operate.

When speaking on the agriculture estimates last session I had this to say, as reported at page 2527 of *Hansard*:

> The farmers of my constituency are particularly interested in three aspects of our agricultural policy: first, marketing arrangements, to assure stable and satisfactory marketing and farm income; second, disease control, to ensure satisfactory crops; and, third, intensive research in the field of marketing problems and disease control.

That is their opinion at the present time. In the provincial field we have a satisfactory natural products marketing act; in the international field we have the food and agriculture organization of the united nations and the latent possibilities of world agricultural councils, but in between we maintain there is a missing link, namely, a national natural products marketing act that will tie together provincial and international arrangements.

I know something of the pioneer days in the fruit industry. In the early days of this century, as most hon. members know, settlers flocked into the interior of British Columbia, settlers without experience on the whole. As a result of their appreciation of the possibilities of cooperation and its practice, they have built one of the outstanding cooperative movements in the British empire and in the fruit industry as a whole in the world.

In recent years I have often heard it said that the pioneering spirit of the Canadian people is dead; but I do not believe this, nor do those who are associated with me. I believe it is simply a question now of channeling that spirit into new fields of social adventure and economic organization. Fruit growers of British Columbia believe that the time is ripe to pioneer a national natural products marketing act. For the information of the members, so that they will get this picture clearly, may I give a brief history of the development of the fruit industry and the marketing arrangements in British Columbia. It is a romance of collective effort, disappointments, failures and final success, worthy of careful study by all who are interested in the various aspects of cooperative endeavour. In the interior the fruit growing sections of British Columbia are located chiefly in the Okanagan from Armstrong to the international boundary, on the main line of the Canadian Pacific railway between Kamloops and Salmon Arm, on the Arrow and Kootenay lakes, Creston and Erickson, and in the Grand Forks valley on the Kettle Valley railway that lies between the Arrow lakes and Okanagan lake. That comprises a total area of about forty thousand square miles.

The first carload of apples was shipped from the interior of British Columbia in 1903. In 1900 the total apple production of British Columbia was 240 boxes, and at the present time it is around six million boxes or over. This year there is a possibility, if the crop continues to develop according to present prospects, of a production of close to eight million boxes. Considering the time it takes to produce orchards, I think everyone will realize that the development has been very rapid indeed.

Originally the production was started to supply the home market of British Columbia and, later, the prairie markets. Production rapidly increased far beyond the needs of the local population, and when the prairie markets could not consume our products new fields were explored, until before the war apples were reaching all parts of the world. I am speaking of just prior to the war. At that time we sent about 40,000 boxes annually to South Africa and 100,000 boxes to South America; we sent 50,000 boxes to Egypt, 130,000 boxes to the United States, but our best overseas market was Great Britain which took from two to two and a half million boxes. During the war these normal marketing arrangements were disturbed, but I am glad to say that there is evidence at the present time of our former customers being anxious again to receive British Columbia fruit. It is amazing how quickly that situation has developed. From the heads of our organizations I understand that we are getting inquiries from various countries of Europe, South America, Australia, South Africa, in fact all of our former customers

who are in position to buy apples at this time, although owing to their circumstances they are asking for limited quantities.

Years ago we were under the impression that unified control of the fruit industry could be obtained by voluntary effort, but in 1925 and 1926 the weaknesses of the voluntary effort became apparent to all those directly concerned with organizing the industry. Then a drive for legislative action and assistance was commenced. As a result of that drive the natural product marketing act of British Columbia was placed on the statute books. No doubt hon. members have heard the legislation condemned on the score that its coercive powers savours of regimentation and robs the individual of his rights. Time does not permit me to go into that argument. It is sufficient for me to say that it is based solely upon the rule of the majority. The only type of legislation we have ever asked for is the type of legislation which provides that when seventy-five per cent of the producers of any commodity wish to join together, then all producers of that commodity must abide by the rules and regulations set out in the act as a result of the decision of the majority. I think everyone will agree that a seventy-five per cent majority is democratic to the last degree. If agriculture is ever to come into its own from our point of view, one of the outstanding requisites is unification of action in the marketing sphere, provincially, nationally and internationally. To this principle the fruit growers, the vegetable growers and the poultry producers of my constituency adhere.

I wish to deal briefly with certain aspects of the marketing question. Under present conditions, in the preparation of our crop for marketing extensive facilities have been provided in the way of warehouses, graders and general packinghouse equipment. We must deliver high quality, attractively packed fruit if we are to hold our markets and extend them. I have often heard it suggested that too much expense is incurred in the packing of our fruit, and that we should ship it loose in containers direct from the orchard to the consumer.

I am going to deal with this aspect of the matter for a minute or two because I myself receive letters from the prairies suggesting that this would be the most economical and cheapest way to handle our crop. I can understand that point of view, but I should like to outline some of the difficulties. For the information of the committee let me say that first our fruit has to be graded so as to eliminate insect infested, diseased and deformed fruit. Then it has to be checked over on the graders to be properly sized. The reason is that all these various markets demand a particular size or a particular variety of fruit. I shall illustrate it this way: South America will take only extra and fancy Delicious running 72 to 138 per box. Egypt will take only Newtons and Delicious running 72 to 125 to the box. South Africa demands Jonathons and McIntosh, running 138 to 216 to the box. The south of England prefers apples running 163 to 234 to the box; Liverpool, 150 to 180 to the box; Glasgow, 138 to 163 to the box; Montreal, 150 to 180 to the box, and Toronto, 80 to 125.

That is an interesting point. You always find that the large cities in the old country, and apparently in this country as demonstrated by the figures for Montreal, like the small apples. That is because when poor people want to give each of the kids an apple before they go to school, they like to buy a box containing a large number of apples, because a box goes much farther. It is interesting to note that Toronto buys the largest sizes and most select apples, 80 to 125, so it is obvious that our good friends in Toronto go in for the more expensive apples. Some of our Canadian markets want apples in grade C; others want nothing but the best in extras and fancies. Therefore to get the sizes and grades preferred by the different markets at home and abroad we are almost compelled to pack the whole crop. I am sure that is an aspect of the situation which is not appreciated by many people on the prairies. Harvesting the bulk of the apple crop usually takes a period of six weeks, but it takes twelve months to sell the crop, so that expensive cold storage facilities have been built. At the present time we have cold storage in British Columbia for approximately five million boxes. That represents an immense investment in the fruit industry.

In regard to the sale of the crop I think the growers are at the present time getting a reasonable proportion of the consumer's dollar; but the fruit industry is in a peculiar position. A great deal of its perishable product has to be marketed over a short period of time, and one has to sell through the channels established for the handling of that crop. A wholesaler or jobber cannot keep going by selling apples or tree fruits alone. He has to handle citrus fruits and other commodities to cover his overhead. So that this handling of fruit from the producer to the consumer is a complex and difficult question. I think I can safely say that, without a doubt, experience has proved the value of the natural products marketing act, and the system of central selling organized under its protection, to the fruit growers of British Columbia and the com-

munity as a whole. In saying that, I mean it has benefited both the producer and the consumer.

I am going to deal briefly with the conditions that existed before the act was passed, and with conditions at the present time. Mind you, the federal act might not be necessary if we sold all our apples in British Columbia, but we do not. We have to sell a great deal of our crop in other provinces and abroad, and that is why we need the protection of the proposed act.

Before the provincial act was passed we had internal competition, and the fruit grower received a most unfair proportion of the consumer's dollar. We had maldistribution of the crop to the Canadian market, through the practice of selling on consignment. I know in my own district, before we had unified control, our packing house would ship a carload to a certain town, and perhaps half a dozen other packing houses would do the same thing. As a result, a small town on the prairies would have possibly three or four cars of apples roll in the same day, when one car would be sufficient, while another town would be without fruit. Then we had large losses through trade abuses, such as excessive rebates. That was a serious condition before this act was passed. We had a high percentage of bad debts. We had an uninformed public, with little knowledge of varieties or suitable seasons, and we had an unfair division of the Canadian and export markets. All the powerful people were grabbing the domestic market and leaving to somebody else the export market, which of course is less profitable. Then we had a lack of coordination within the industry, which prevented development of the flexibility necessary to meet changing conditions or to enable us to cooperate satisfactorily with a government programme.

Those were the conditions which existed before the act came into force. Since the passing of the natural products marketing act and organized selling under the direction of the tree fruit board and Tree Fruits Limited, we have first, a return to the producer of the greatest possible share of the consumer's dollar under present circumstances and conditions. Looking at the question from the point of view of the national interest I believe the fruit growers of British Columbia are reasonably satisfied with the prices they are obtaining to-day.

Second, we now have a planned distribution on the western Canadian and other markets. We own and control Canadian Fruit Distributors, and the whole distribution of the western Canadian market is planned so that marketing may be efficiently organized.

[Mr. Herridge.]

Third, we now have fair dealings within the trade and the elimination of trade abuses. For instance, prior to the Natural Products Marketing Act, claims made by wholesalers for damaged fruit, particularly on the prairie market, averaged $17 a car. To-day these claims have been reduced to less than $2 a car. That is because we have our own inspection service and can investigate any complaint made.

Fourth, we now have an almost complete elimination of bad debts; and this is a most interesting feature. Since the act came into force Tree Fruits Limited has marketed between $100,000,000 and $110,000,000 worth of tree fruits. A normal business concern allows one to one and a half per cent loss for bad debts. That would mean, under the old conditions, that we would have lost around $1,000,000 in bad debts. Up to the first of this month, after marketing that large volume of fruit, we have lost in bad debts only $163. That is what planned, cooperative marketing does for the producer.

Fifth, owing to coordinated publicity and advertising, we now have an informed buying public. People know when to buy Delicious, when to buy Wealthies, when to buy McIntosh, when to buy Gravensteins. They are informed as to the value of the apple they intend to purchase, and the best use to make of it.

Sixth, we have a planned division of the Canadian and export markets. All the shippers, whether they are cooperative organizations, semi-cooperative or joint stock, have to take their proportion of the domestic market and the export market, and we now have a planned division of those markets.

Seventh, we have a complete coordination throughout the whole industry which makes it possible to meet to the best advantage any given situation, and to cooperate effectively with any government programme. When, owing to war conditions, the government was faced with difficulties, it entrusted their solution in British Columbia and Nova Scotia to organizations which, I am sure the minister will admit, rendered an entirely satisfactory performance, organizations which can do just as effective a job in time of peace. In our opinion the best possible chance of satisfactorily implementing the government's agricultural prices support legislation will be with the cooperation of the producers in the industry concerned, under a national natural products marketing act. In fairness, I must say that during the critical period of our organization and the critical war period, we were most fortunate in British Columbia in having as members of the tree fruit board and Tree

Fruits Limited men of exceptionally high principles and outstanding ability, willing to work unceasingly for the cooperative principle and on behalf of the growers they were elected to represent. We were most fortunate in that respect.

In the few moments during which I have discussed this matter, I think I have proved that the Natural Product Marketing Act has been of great assistance to the fruit industry in British Columbia, and that under the provisions of the act the producers are providing fruit for the consumers at fair prices under present circumstances. As I have said before, we are convinced that if the producer is to be protected we must forge that missing link, a national natural products marketing act. The tree fruit growers of British Columbia pioneered the provincial act. They have been the pioneers in advocating for several years a national act of this type. They are simply asking the government to develop in the federal field what has proved so successful in the provincial field. Hon. members will remember that the federal act passed in the early thirties was declared ultra vires of dominion powers by the privy council. It will be remembered that the federal act passed in the early thirties was declared ultra vires of dominion powers, by the privy council, and the fruit growers of British Columbia have given a great deal of study to this matter in an effort to draft an act that would not be ultra vires. The Canadian federation of agriculture has endorsed the draft act and in their brief presented to the government on March 28, 1946, expressed a desire for federal marketing legislation on this basis.

Before concluding, I should like to read from the Canadian federation of agriculture brief, where it states:

> We desire to express appreciation to your government for the substantial progress made in applying a policy of long-term contracts or floor prices assured a number of years in advance. This is in line with the views of the Canadian federation of agriculture and incidentally in harmony with the fundamental theme of our recent annual meeting.
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> To carry such a policy into effect successfully, will require orderly production and a regularity of flow of products concerned in export trade to market to meet the needs of importing countries. Unorganized and haphazard marketing methods will not do it. Producers could make a valuable contribution to a national marketing programme in respect to some products if federal legislation were provided to enable them to undertake it. Most of the provinces now have legislation which permits the producers to develop and operate plans for marketing within their respective provinces. These have proven successful in practically all cases and at the same time are recognized as being in the general interest. But producers are blocked completely from coordinating their efforts with fellow producers in other provinces for interprovincial and export movement of their products because supplementary federal legislation is not yet available to them. There is a widespread national demand from our producers for such legislation and since the close of the war particularly it is becoming more and more insistent.
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> It should be pointed out that in at least one province in Canada, producer marketing plans which have been in operation under the War Measures Act, and now the Emergency Powers Act will become absolutely ineffective even provincially, without federal legislation such as we are now requesting.

Hon. members would be well advised to secure a copy of the draft act which was originally drafted by the fruit interests in British Columbia, submitted to the Canadian federation of agriculture, gone over again, finally accepted in final form by the federation, and then submitted to the government. I shall not read the whole of it, but I should like to place on record one brief section which deals with purpose and intent. It states:

> The purpose and intent of this act is to provide in respect to interprovincial trade in Canada and in export trade, for the improvement of methods and practices of marketing of natural products, and for the promotion, control, regulation, or prohibition, of the marketing of natural products, in any or all respects and in whole or in part.

I just wish to emphasize again that our people are anxious to see this type of legislation in the federal field, as I said before, to forge the missing link between provincial and international arrangements.

I urge that hon. members give some study to this question. We in British Columbia are firmly of the opinion that if we are to assure the orderly marketing of farm products in the future at fair and stable prices, we must have a national natural products marketing act as the link between provincial legislation and international arrangements. I have, and the fruit growers in my constituency, as well as fruit growers in British Columbia as a whole, have great faith in this type of legislation, because it depends for its success upon local and cooperative action, and involves the people concerned in the administration and the direction of their own affairs. That is what I like about it. This type of legislation permits the development of large-scale planning under the control of the people themselves. It is democratic in principle, democratic in action and, I am sure, has been proven to work to the advantage of the community as a whole. It will move the latent pioneer spirit of the past into action for the requirements of the future.

I should like the minister to express his opinion of the draft act presented to him by the Canadian federation of agriculture, and of the principles of marketing outlined therein.

Mr. HACKETT: Would the minister give me some information with respect to item 22? To get it, I waited patiently all afternoon, and believing that the first hour this evening was to be devoted to private and public bills, I was absent for a short time. Upon entering the chamber at nine o'clock, however, I found that the discussion of the estimates was well under way. Is this the only item in the minister's estimates providing for exhibitions and fairs?

Mr. GARDINER: This is the only item in the main estimates providing for exhibitions. However, I did tell the committee in the hour the hon. member was not here that later in the session I shall bring down supplementary estimates to deal with fair and exhibition grants. There can be a full discussion at that time. Little would be gained by taking time to discuss the matter now, because I am not now in a position to tell the committee the nature of the grants. Representations have been made from fair boards across Canada as to what they desire. These representations are being fully considered by officials. They will then be brought before the government and eventually to the house.

Mr. HACKETT: What amounts were devoted to this purpose in 1938 and 1939?

Mr. GARDINER: I have not the figures before me, but my memory is that at the time we put this through it was in the neighbourhood of $200,000 or $300,000. At certain times it may have been even a little more than that.

Mr. MATTHEWS (Kootenay East): Mr. Chairman, at this point in the discussion of the estimates for the Department of Agriculture I wish to say a few words on behalf of the primary producers in British Columbia. I find myself fully in agreement with the remarks of the hon. member for Kootenay West. I fully realize that, so far as agriculture in British Columbia is concerned, we have not reached the point of development that has been reached in the prairie provinces. However, with the building of the necessary railways to provide an outlet for the British Columbia-Peace River block, that situation will correct itself to some extent.

The constituency of Kootenay East, which I have the honour to represent, contains some fairly large agricultural areas, with their usual problems and needs. I might mention the Columbia river valley, the Creston valley fruit district and the range lands in the southeast corner of the province.

[Mr. Herridge.]

The setting up of a provincial marketing board has already been achieved in British Columbia, as mentioned by the hon. member for Kootenay West, and it has met with a fair degree of success in its work.

Then, too, the British Columbia fruit growers' association has united in the setting up of the British Columbia fruit marketing board. They, too, are doing good work, but over the years some weaknesses have manifested themselves which call for correction.

The farmers in my constituency who live fairly close to the British Columbia-Alberta boundary complain from time to time of Alberta surplus supplies being sold in British Columbia below our cost of production. It was at this point that our provincial marketing board fell down in that it could not control interprovincial trade. Therefore a dominion marketing board or a national marketing board is necessary to control the organized marketing of our agricultural products. To show that what I am advocating is a live issue, I should like to quote a press report in the Vancouver *Sun* which bears the date line of Victoria, April 11. It reads:

> Hart will urge Ottawa market law.
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> The British Columbia legislature to-day passed a resolution asking Premier Hart to urge on Ottawa authorities next month the need for federal legislation to control organized marketing of agricultural products.
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> The question was raised by J. H. Corsbie (C.C.F., Peace River), who said there is need for a dominion marketing act to make provincial marketing legislation fully effective in dealing with interprovincial trade.

Mention has already been made of the dominion marketing act which was passed in 1935 by the Bennett government and which was declared to be ultra vires of the powers of the federal government. I sincerely hope the minister will give serious consideration to the setting up of a dominion marketing board.

Mr. WRIGHT: I should like to add my voice to that of the hon. members for the Kootenays in connection with the necessity of having a national marketing act. I think the hon. members, particularly the hon. member for Kootenay West, are to be congratulated upon the manner in which they have presented the problems of the fruit growers of their districts. This question of a natural products marketing act for Canada has been up for discussion at different times since I came to this house six sessions ago, and on numerous occasions I have raised the matter myself. The minister has stated that such an act would be ultra vires of the powers of the dominion government. I am not a lawyer, let alone a constitutional lawyer, but I have

discussed this matter with many men who know something about it. They tell me that it would be possible for the dominion government to pass an act which could work concurrently with provincial legislation and which would achieve what we want without having to pass an amendment to the British North America Act.

I should like the minister to comment on this and to state whether the government has given consideration to adopting the act which was presented to the department by the Canadian federation of agriculture. This act was given considerable study by different agricultural organizations in Canada. It is recognized in Canada that if we are to have stability in agriculture we must organize our agricultural production along commodity lines, and that will require both dominion and provincial legislation. I think the time has come when consideration should be given to this legislation, and I think that should be done at this session.

Mr. GARDINER: This matter has been an issue, not only since the hon. member for Melfort came to the house but at a time when most of us who are now in the house were not here. As the hon. member knows, this was a matter of live discusion during the thirties. At that time an act was passed which was presumed to do what is now being asked for. That act was taken to the supreme court and then to the privy council where it was declared to be ultra vires. I am not a constitutional lawyer either, but I take it that the members of the privy council are and they decided that that act was not constitutional.

It may be possible to draft an act which is constitutional, but I find it most difficult to believe that that is possible under our constitution. That does not mean that the constitution cannot be amended, but I would think it would be most difficult to draft even concurrent legislation that would be declared by the courts to be intra vires. The previous legislation was I believe, drafted most carefully with the thought in mind that it might be declared ultra vires. That act was in effect when I came to Ottawa and we operated under it for a number of months. However, it was declared to be ultra vires and we have not since acted under it.

The hon. member for Kootenay West has suggested that I express an opinion with regard to the model act which was drafted, I believe in British Columbia, and presented to the Canadian federation of agriculture and by that federation to the government in the year just preceding the war. As Minister of Agriculture, I took the matter to the government and it was discussed there. I had the government's policy with regard to it announced in the first year of the war, which policy is on record in *Hansard*. That policy was to affect the period of the war, and it was stated that further consideration would not be given to the matter until the end of the war.

To state in as few words as possible the position taken by the government, it was simply this. We had entered upon the war, and during the war period it would be absolutely necessary for the government to set up any boards that were necessary to take control of the marketing of farm products. Those boards would be operated by the government on behalf of the people of Canada and on behalf of those engaged in the war in order to assist in the prosecution of the war. We thought that could be most effectively done by the government operating under the War Measures Act. That is what we have since been doing, and the success of apple marketing during the war period has been partly due to the fact that we have had an arrangement with the apple producers and the tree fruit board right from the first year of the war. Under that agreement the government has taken possession of any surplus product we have had. That has been canned or dehydrated and sometimes given away, but at all times the producer of apples was guaranteed a certain set return for his product.

An hon. MEMBER: The growers appreciated it.

Mr. GARDINER: The growers have expressed their appreciation on many occasions. I think we have had less criticism from the apple growers of Canada throughout the whole war period than from any other group. That action was taken in the first year of the war and was continued right through. It resulted in our paying out perhaps more per farmer engaged in the apple industry than we have paid out on behalf of any other group of farmers in Canada. When you talk about two or three million dollars to assist a branch of the industry, let us say in Nova Scotia, it does not sound very large as compared with other expenditures that are made, but there are only four or five thousand apple producers in Nova Scotia. When you spend two million dollars in order to promote the interests of four or five thousand producers and of those assisting in the marketing and processing of the product it figures out to a higher level per person involved than is the case even with the enormous amounts that have been expended in connection with wheat growing in

western Canada where we have spent in the neighbourhood of a few hundred millions, but the number of farmers engaged is very much greater.

Mr. HERRIDGE: The minister will admit that that is because of the loss of export markets.

Mr. GARDINER: I agree that that was the reason for the action taken in the first instance. The British government said in the first year of the war: We do not want any apples at all. I would remind hon. members of that fact when they sometimes speak of fruit as an important food product that would help people who are starving. But the British said: We do not want to utilize any shipping space for the shipment of apples because of their low food value. We all know that that is true. The apple is used not particularly for preventing starvation but for purposes we all understand. I think we all enjoy apples, and most people throughout the world do when they have an opportunity of getting them. But at a time when it was necessary to do everything to prosecute the war successfully the British said that they did not want apples at all. We naturally had to do something about the situation, and the only thing we could do was to guarantee a certain return to the producers until such time as they could market their product.

We had less difficulty with the apple crop in British Columbia than we had with the apple crop of Nova Scotia, for reasons more or less obvious. The apple crop of British Columbia has its market next door in the prairie provinces, for at least a considerable portion of the crop. Might I suggest to the apple growers of British Columbia that something happened during the war which might work out most beneficially to the apple producers of British Columbia and probably other parts of Canada, if the idea is used to the fullest possible extent? During the war we developed to a greater extent than ever before the process of dehydrating fruit and vegetables. One of the difficulties in marketing British Columbia apples on the prairies is that the temperature sometimes gets down to forty below in November, and anyone who knows anything about transporting apples on the prairies knows that if you start out from your town or village with a barrel or box of apples when it is forty below the apples will not be of much value when you get four or five miles away from town.

Mr. NICHOLSON: How often does it get forty below in November?

[Mr. Gardiner.]

Mr. GARDINER: My hon. friend will probably find out in a year or two. It has been thirty below on the prairies in October, and even that temperature will freeze apples. The position is that if you attempt to take apples out in their natural state on the prairies you have difficulties in the winter months. But dehydration was developed greatly during the war to the point where apples can now be put on a shelf in any part of western Canada and forty below will do them no harm whatsoever. Dehydration dries them down to the same moisture content as wheat, so that they can be put anywhere and carted about from one place to another and consumed the whole year round.

I had some dried apples from Nova Scotia presented to me just at the beginning of the war. They had been dried three years prior to the time they were presented to me. I took them home and had them cooked, and you could not distinguish the product from apples picked fresh off the tree. I realize that what made it impossible to carry that further was the cost of dehydration. But we have gone a long way during the war, and if we will only take advantage of our experience a great deal can be done to assist in the marketing of the apple crop. Much of that we learned because we were required to process products during the war, partly to take care of them over a long period and partly to feed the troops and others who required different products at different places where storage was necessary.

So far as the act itself which has been proposed is concerned, I wish to state only this. During the war we have used boards. We had a meat board, a dairy board, a wheat board, a special products board and a fruit tree board, and under these boards we have handled most of our farm products during the war. We still have those boards. In addition, we have an agreement with Britain on pork products extending down to 1948. We have an agreement on cheese extending down to 1948. We have an agreement under consideration for wheat extending down to the end of the 1949 crop, which agreement in all probability will eventually be signed. We have also an agreement with regard to canned milk. When one takes all these products into consideration and others I might name, it will be realized that exactly the same condition exists in relation to them down to the end of these agreements as did exist during the war.

We have these boards, operated by the government it is true, but operated on behalf of all the people of Canada, to handle the exportation of our surplus farm products whether they come from a private organiza-

tion, a cooperative organization or a province so highly organized under marketing legislation as British Columbia is. These farm products going into international trade are taken over by these boards and delivered to some organization in some other country. The greater part of them are delivered to the British food ministry and distributed by them to people who require them under the terms of the agreement. I think that so long as that condition exists—and, as I have indicated, these agreements will extend from two to four years and at the end of that period there will be the possibility of extending the agreements farther—there is not the same necessity for having central boards set up under a federal marketing act as some thought just prior to the war.

On the other hand, I would point out that we shall require to come to this house for legislation to give us authority under an act conferring similar powers to those under the War Measures Act to deal with food, or we shall have to ask the house for special legislation dealing with the different boards themselves and giving us authority in connection with handling them in order to overcome difficulties that exist in connection with the constitution itself. With a situation existing such as we have in the world to-day, when the food production and food distribution problems are just as serious as they were during the war, I would anticipate that there would be no difficulty in having the membership of this house extend that kind of authority to cover the term of these agreements, and so long as that situation does exist I see no reason for putting into effect marketing legislation of the type suggested.

I do not say that we should not be giving every consideration to the possible necessity of it and to ways of making it effective if it became necessary to do so. But for the time being I think the remarks of the hon. member for Kootenay West have suggested that producers are fairly well satisfied with the manner in which products which are going into export are being handled up to the present, and so long as we can continue to handle them under the arrangement which is now made I should think they would be fairly well satisfied to have it carried on in that way. I have understood that, even from those who are the strongest advocates of the system which has been proposed by the hon. member for Kootenay West.

Mr. HAZEN: The special products board to which the minister has just referred, which comes under the marketing branch of the Department of Agriculture, has looked after the marketing and export of certified seed potatoes from the maritime provinces for the past three years. This was done at the request of the provinces and of the exporters of the maritime provinces. My purpose in rising is to ask the minister what the policy of the government is for the coming season while certified seed potatoes continue to be exported and marketed in the way they have been during the past three years. In this connection I should like to point out to the minister that for the first two years this board was under the supervision of Mr. John Tucker and the work of the board was done to the satisfaction of all concerned. But Mr. Tucker retired, and last year the supervision of the board was taken over by another gentleman. Since that time the work of the board has not been nearly so satisfactory to the exporters who are interested in this matter in the maritime provinces. Will the minister tell us what the policy of the board will be during the coming season?

Mr. GARDINER: The arrangement setting up the special products board was made, of course, under the War Measures Act by order in council, and the authority under which they are operating now is the special powers which were given in the measure last year. As hon. members know, that measure is for one year. It operates to the end of this year, provided that we do not make some changes late in the year—my memory is that it is to November or December—and if it continues into the new year and the house is not in session, it goes on until the beginning of the next session and fifteen days into that session. So that the authority under which we are operating as far as potatoes and many other things are concerned is limited at the moment to fifteen days after the opening of the next session. But, as I said a few moments ago, I do not anticipate, from remarks made by hon. members representing all groups in the house when that legislation was under consideration, that there would be any difficulty in having special powers continued with regard to the handling of food. That being the case, probably at the moment there really is not any limitation of the policy which might be followed by the special products board.

In so far as potatoes are concerned, I think, as has been suggested, the special products board has been assisting in the marketing of these potatoes at the request of the growers in the district for about three years, and it is operating under powers given to it to deal with potatoes without any limitation on the period of time. The only limitation that is there is the limitation put on by the Special Powers Act. The fact is, of course, that

through negotiation as between the special products board and those who invited them to take over the operation, there may be changes, but in so far as I know at the moment the present arrangement will continue to operate at least for the time we have the authority to carry on as we are doing.

Mr. COLDWELL: I do not rise to say anything about potatoes, but there was one point which was made by the hon. member for Kootenay West, in the very fine outline of what the tree fruit growers of Kootenay have done, that might be emphasized, and that is the packing and grading of the fruit. If we had a federal marketing act the probability is that we could do something in regard to that. It seems to me that is something which needs to be emphasized. The minister and I and other members from western Canada can remember very well that thirty or thirty-five years ago we used to buy barrels of apples from Ontario, but to-day the people of the prairie provinces use almost exclusively the British Columbia boxed product,—

Mr. CRUICKSHANK: Much better.

Mr. COLDWELL:—graded and packed. Even in this city, I have noticed, you can buy more economically the British Columbia apple at a higher price than you can buy the Ontario apple at a lower price, because when you buy the Ontario fruit you are not sure of what you are getting but when you buy the British Columbia graded fruit you know you get exactly what you pay for.

Mr. CRUICKSHANK: Hear, hear.

Mr. COLDWELL: You get a good sound apple, and you are quite sure that you are getting something that you can use right to the very core. You are not so sure of that with regard to the Ontario product.

Mr. LOCKHART: It is better, though.

Mr. COLDWELL: I was sorry that some of the farmer members of the Progressive Conservative party were not listening a little more attentively when the hon. member for Kootenay West was speaking, because I thought the outline he gave of the marketing of fruits in British Columbia was something which might be studied very carefully by the fruit growers of Ontario.

Mr. GLADSTONE: You cannot beat the flavour of Ontario apples.

Mr. COLDWELL: Someone says that you cannot beat the flavour of Ontario apples. I have heard that for a long, long time, but I find it difficult to agree with my Ontario friends, and I am quite neutral.

[Mr. Gardiner.]

Mr. MARTIN: Are you sure you were not eating a pear?

Mr. COLDWELL: I am not going to enter into that argument at all.

What I rose to say is that some method should be worked out by the federal department of agriculture with the provinces to see to it that we get a grade which is pretty uniform throughout the country, and particularly in the export market. I agree with the minister that the processing of apples during the war has been quite remarkable. To-day you can buy dehydrated apples which, when cooked, you cannot tell from the fresh product. My hon. friend the member for Fraser Valley shakes his head.

Mr. CRUICKSHANK: That may be true of Ontario apples.

Mr. COLDWELL: I buy them in Ontario. I do not know what British Columbia apples are like when they are dehydrated.

One other thing has often occurred to me in relation to the processing of this fruit. I was born, of course, in an apple country, Devonshire, famous for apple products, and I have often wondered why the lower grades of apples in this country are not turned into cider—not necessarily hard cider, but cider. I know from my youthful experience that it is a healthy and quite mild drink, if it is intoxicating at all: I leave that to the hon. member for Fort William to decide. But I have often wondered why we cannot utilize the lower grades of apples in the production of cider—sweet cider, and, if you like, sparkling cider. I believe that sparkling cider is imported into Canada from across the seas. Yet we grow, I would say, very much better apples than the apples which grew in the county where I was born. I have heard it said that they grow a particular type of apple for cider; that may be so, but it seems to me that, in the years to come, at least when we may have difficulties in marketing, apple juice and apple cider might be made to a larger extent and our people encouraged to use it rather than the harder drinks which are being used by many people in this country.

What I really rose to say was that in some parts of Canada much more attention should be given to the grading and the packing of apples for both domestic use and export. I have no doubt, although I said otherwise, jocularly, just now, that the Ontario apple can compete with any other apple if it is properly graded, packed and marketed.

Mr. FAIR: Another item that is also being neglected is prices. On different occasions we have been told about parity prices. I should

like the minister to give us a definition of that to-night. In my opinion the parity price that he is speaking about is based on the prices that existed during the period 1926 to 1929. According to the bureau of statistics, the farmers of Canada at that time received 16·6 per cent of the national income. This means that about 33 per cent of the people received 16·6 per cent of the national income. In my opinion that is not a sound basis on which to figure our parity prices. It does not matter how many agreements we make; unless we have worth-while prices we are not going to have a prosperous agriculture. It seems to take many of us in Canada a long time to realize that the farmer does not get that to which he is entitled. Not many days ago we found that the former mayor of New York, Mr. LaGuardia, said:

> The low earnings made by Canadian farmers are a threat to the progress made by farmers in the United States.

There is the opinion of some of our neighbours. Perhaps we at home should look a little more closely at our price structure.

On the fifteenth of last month in defending the increase of 12½ per cent allowed the machine companies the Minister of Finance quoted several increases in prices of farm products, as reported at page 893 of *Hansard*. Because of that, people throughout the country are perhaps under the impression that farmers are getting far more than they are entitled to. On that occasion the minister should have made it quite clear that when we started out on our war period, or even up to 1941 or 1942, we were still receiving for agriculture the prices which were received in the depression years between 1930 and 1935. Therefore, when all these things are taken into consideration, I feel the question of price should receive far more attention than it has up to the present time in order that agriculture may be placed on an equal footing with other industries in the country.

Mr. FRASER: Do we export solid packed apples; that is, the apple in the gallon can solidly packed?

Mr. GARDINER: Yes, we ship some of them.

I might say while we are on the subject that what the hon. member for Rosetown-Biggar said is correct, generally speaking. That is, the best graded and sorted apples are those which come from British Columbia. There they have a mechanized system of grading which is very efficient; it does the job particularly well, but there is something other than that associated with the apple as it grows in Ontario and the apple as it grows in British Columbia. When I was a schoolboy I used to learn some things that I never understood the meaning of until much later. One of the things I learned was that nature provides, through the texture of leaves, bark and other parts of plants, against evaporation in dry climates. I never did associate that with apples until I came east ten years ago to take the position I now occupy.

I knew from my experience on the farm as a boy in Ontario where apples were grown, that when you put apples on the shelves in the cellar and left them there for use during the winter months they shriveled up very quickly. The British Columbia apple does not do that, not with the same readiness. If you leave it long enough the moisture will evaporate from it, and there is a simple explanation of it when one has occasion to get the explanation. It is associated with the fact that apples in Ontario have to be kept with greater care than they do if they are produced in British Columbia. In the Okanagan valley the apples are produced under irrigation. The air is very dry, and the result is that the skin on the apple does not permit of evaporation easily. It is nature's way of seeing that evaporation does not take place. The pores in the skin of the apple produced under these conditions do not give off moisture as freely as they do in a moist climate like Ontario, and it is even more moist over in the area in Britain in which the hon. member for Rosetown-Biggar lived. That might have something to do with his suggestion that the apples there are not as good even as they are here. They are produced under different climatic conditions.

Those who do take care of apples, and do it properly, in Ontario, are able to overcome that difficulty through cold storage facilities that are made for the storage of apples. In our boyhood days we did not have the cold storage that we have to-day, and the result was that the apples went on the market in a different form from what British Columbia or even well cared for Ontario apples do.

Associated with that is this further fact. A very small proportion of the apples of Ontario and Quebec need to be exported. They have their market right next door to them. We grade the apples which are exported, but there are some years when they have a very good crop and no apples are exported from Ontario and Quebec at all; they are all exported from Nova Scotia and British Columbia. The apples of Nova Scotia and British Columbia have to meet the grading regulations that are put on by the federal department. Apples marketed in Ottawa, if they are

from the Ottawa valley, or apples marketed in Toronto from around Trenton or anywhere in that area are not subject at all to the federal regulations. They can market them within the bounds of the province in any way the people within the province will take them, unless some special provision is made with regard to grading within the province; and the restrictions on grading in Ontario are not anything like the restrictions on grading put on by the British Columbia government even, in addition to those that are put on by the federal government in relation to the marketing of products outside the country. These are all facts in relation to the matter of grading apples in Ontario and in British Columbia, which will be there whether you had the marketing act or not. That is what is associated with the situation which exists in the different provinces. There is also the fact that in normal times 50 per cent of the British Columbia product and 80 per cent of the Nova Scotia product must be marketed overseas. Fifty per cent of all our apple production must go out of the country. That being the case, we do control the grading and the marketing of the product that goes out, but we have very little to do with the marketing of the product inside.

Mr. WRIGHT: I should like to ask a few questions with regard to the purchasing of horses by the Netherlands and the French governments. There was some discussion on this matter at the last session, and the minister indicated then that the methods being used in western Canada were not satisfactory. He said that he intended to change that method and purchase through the municipalities there, or at least use the municipalities for the assembling of the horses for purchase. Representations were made to the government by the various horse breeders' associations in the west that they would prefer to have the purchasing done through the special products marketing board direct from the farmers on behalf of the French purchasing commission which was in Canada purchasing these horses. Could the minister give us some information with regard to the matter? How many horses have been purchased by the French government? What method is being employed? Are they buying direct through the trade, or is the government assembling the horses? Just what method is being used at the present time? Could the minister give the average price that is being paid by the French purchasing commission for the horses that they are purchasing?

[Mr. Gardiner.]

Mr. GARDINER: Last session there were discussions in regard to the marketing of horses; I believe the matter was brought up on the floor of the house by the hon. member for Wood Mountain. I do not know that there was any considerable dissatisfaction with the plan followed, other than that there was not a market for all types of horses, and perhaps in regard to the system of asking farmers, many of whom were not able to determine from the circulars put out just what type of horse was required, to bring in their horses and take their chance on selling them—perhaps that did not work out so satisfactorily in view of the fact that too many of them had to take their horses home again.

Two agreements were drawn up; one had been signed. That was with the government of the Netherlands. It covered the delivery of 5,000 horses, beginning a year ago last spring and continuing to next October. When I was in Europe in January I took the trouble to see those on the other side, particularly in the Netherlands, who had been handling the horses. They said they were perfectly satisfied with the horses they had received, as to both quality and price, but they said they did not want any more. Of the 5,000 they had received some 2,200. I asked why they did not want any more, and they said they were going to be exporting horses within twelve months. They told me that the reports they had at the end of the war, on the basis on which they entered into the agreement to buy 5,000 horses from Canada, were not in accordance with the facts as they later developed. They had far more horses in the country than they thought, and they said that within twelve months they would be exporting horses and therefore did not want to buy any more from us. I did not tell them we were going to force them to carry out their contract. We just have not shipped them any more horses. Up to that time they had bought 2,200; since then they have not taken any more, and under the circumstances I do not believe we should insist on the contract being carried out. So that deals with the situation as far as the Netherlands is concerned.

In France it was a different situation. As hon. members know, the French governments were changing very rapidly in January, and we had not signed a contract with them. We never have had a signed contract. The contract was drawn upon the basis that they would buy 35,000 horses over a period of time and would advance a certain amount of money for each horse purchased. We undertook to return any cash that was not required in order to purchase and ship the horse. Under that arrangement, which was never signed, we sent,

I think, something over 2,500 horses last year, for which the farmers obtained an average price of just three cents under $100. The actual figure was $99.97, after making allowance for the losses that had to be taken by reason of certain horses not being suitable. The farmers received that amount of money, and there was some money left over of the total that had been advanced.

Mr. WRIGHT: Was that f.o.b. the shipping point?

Mr. GARDINER: That was $100 to the farmer himself. They cost more than that, of course, at Montreal, from where they were shipped. One of the conditions that developed in that connection was that some people apparently got the notion that they could handle these horses more satisfactorily through local organizations, that is, private organizations. I discussed the matter with the French minister of agriculture in Paris. He said he was of the opposite opinion and thought the agreement should be signed and carried out as it had been discussed originally. Others, however, had different views, and he did not have full control over the purchasing or marketing of the horses. While I was in England last year, a delegation from France arrived here to buy horses. They entered into negotiations with private interests to purchase horses on somewhat the same basis that had been discussed previously with the government. One of the reasons given by some people who were discussing the matter —not by the minister in France—was that in some of the discussions which took place in this house the statement was made that you could buy horses in different constituencies of eastern Canada for $30 and $40, so that naturally they asked why they should be paying something over $100. Well, one can understand that when statements of that kind go to the people who are providing the money some of them begin to wonder whether or not that is the case. I understand that the arrangement they now have is one under which they agree to put up approximately the same amount for each horse that they had agreed to put up with the government, but the buyers who go out to look for the horses are in a different position from that of the government buyers. We had no means of disposing of horses other than to the French and Belgian governments. The ordinary dealer may buy horses for any trade whatever. He goes into a community, buys a carload of horses and probably gets them at an average price of $60—the price at which they tell me horses can be bought in western Canada—to be shipped to Toronto or Montreal. No one knows whether all the horses purchased are of the right quality to go to France or Belgium or wherever it may be. They only know the buyer purchases a carload of horses and pays a certain price. We have checked some of these shipments. I would not say we have checked them all; we had no particular right to check them all. This is a deal made absolutely between the French government and the local buyers, most of them in Toronto and Montreal.

Mr. WRIGHT: But financed out of our loan.

Mr. GARDINER: Perhaps financed out of the loan we made to France, but in any event we put no strings on that loan except to specify that a certain amount must be spent in this country. They buy goods in their own way and no doubt finance their purchases with money lent to them by Canada. On those we did check, however, I had a report from Mr. MacCallum, who is the nearest thing we have to an expert on live stock, indicating that on one shipment the amount the farmer received for the horses that actually went to France was within a few cents of the amount he received for the horses we shipped last fall. Recently I have heard another suggestion that a carload of horses was bought, I think in the neighbourhood of Prince Rupert, at $40 per horse. I have asked for a check to be made to see if we can determine what percentage of those horses went to France or whether any at all went to that country. They may not have gone to France at all; but the horses that were actually loaded on the boat in the one check I made brought the farmer approximately the same amount he received under the plan we put into effect last fall.

Mr. COLDWELL: You do not know how the French government fares in these deals, in comparison?

Mr. GARDINER: Well, within the last week I had in my office two representatives of the French government, with whom I discussed the matter, and they said they were satisfied with what they were getting. At the present time they are asking for a higher standard horse, a 1,500 pound horse as against the 1,350 pound horse that was being asked for by France last fall. They say they are getting good horses; they are satisfied with them and with the treatment they are receiving. So that I would hesitate to step into an understanding of that kind which is satisfactory to both sides.

Mr. WRIGHT: I wanted to ask one other question in regard to marketing, and that is in reference to peas. Has the special products marketing board entered into any agreement with any purchasing agency or agencies in Great Britain for peas for 1946 or 1947?

Mr. GARDINER: I understand that an agreement has not been entered into, but Great Britain does want to take all the peas we can supply her, and negotiations are on.

Mr. WRIGHT: At the price which obtained last year, or is there any change?

Mr. GARDINER: Approximately the same.

Mr. COLDWELL: Does that apply to beans from Ontario?

Mr. GARDINER: Yes.

Mr. LENNARD: Referring back to the very fine explanation made by the minister with respect to horses, if my memory serves me correctly I heard all that last session. I realize that many answers will have to be made to questions asked, but if the minister is going to make a 20-minute speech every time a question is asked we shall be on agriculture estimates until the middle of next September.

Mr. GARDINER: Agreed.

Mr. BRYCE: What did the minister find out when he went to the old country? I have asked privately about it, but perhaps he would like to give the committee some information. In the future we are going to have far more cattle in Canada than we shall be able to sell to the United States. I know that next to the domestic market, the United States offers our best market. However, they take only a quota.

Would the minister tell us the possibilities of shipping over live cattle? We have a clean bill of health at the present time, and I understand that Great Britain is to-day paying a bonus on beef. But even if we take that bonus off, one can send over good steers which are not properly finished, and get a better price for them in Great Britain, after paying expenses, than he can get from the packing plant in the fall of the year.

I believe the minister told me that I might speak about hog graders when we reached item 24.

Mr. GARDINER: That would be on item 29, dealing with live stock and live-stock products. The first question asked would more properly come under that item. However, the only answer I can give now is that when I was in Glasgow in January, at the same time the hon. member was there, I visited the three shippers, one of whom is Nelson. I met them all at one place on one occasion. When I was discussing the question with them—and they are three concerns which handled feeder cattle going into northern England and Scotland before the war; Browns handle the cattle going to Manchester and the southern section; I was in the Manchester area, but did not see Browns—the other three said that just as soon as we can ship them feeder cattle they will take all we can ship. We were not in a position to discuss price, of course, but the price would be as good as that paid to anyone.

Mr. ARGUE: What is the flour extraction rate used by millers in Canada to-day? Is there a government regulation covering the minimum extraction rate? If so, what is it?

Mr. GARDINER: There is no regulation as to what millers should use, but the extraction rate in Canada is from 72 to 76. I think that generally it is about 72. The extraction rate in many other places at present is about 80 We dealt with that in this way. We said that there was an immediate requirement for wheat. Canada is handling her wheat differently from most, if not all, other countries. Our wheat is under the control of the wheat board, which means that it is under control of the government. That is not true in the United States, and in many other places.

To those who were discussing the question we said that by another method we can take what would be actually the difference between 72 per cent and 80 per cent extraction by simply saying to-morrow morning that we are going to supply the market with less wheat for domestic consumption. We could save 10 per cent, which is just about equal the amount you would take by the increased extraction method from the mills, and they would have to get along for domestic consumption with that much less. We did not say what they had to do to get along, but I assume that what they had to do is to cut down on storage here and there across the country, and to tell their dealers they would have to do with less in the future.

By whatever method it has been done, when I was in Washington last week I received a communication from the wheat board saying that they had an extra 100,000 tons of wheat to distribute. That was more than they had estimated they would have at the beginning, when different ways of saving wheat and making wheat available for shipment were considered. That wheat was divided up, as I remember, in this way: 34,000 tons to India, 25,000 tons to Britain, 8,000 tons to Belgium, and the remaining

amount to other countries. Those were the important ones. In other words, the policy of getting more wheat for these countries is working to the point where we are getting more than we had anticipated a few months ago.

Mr. COLDWELL: Is that due to the diversion from Great Britain?

Mr. GARDINER: No. It is due to many things, of course. We have been making appeals to get more wheat out, and everything that has been done has resulted in there being more wheat available than we had a while ago to go to Britain or elsewhere.

Mr. BLACKMORE: I understood the minister to say that importers of feeder cattle to Great Britain have said they would be interested in quantities of feeder cattle at certain times. Were they referring only to the immediate future, or did the minister gather the idea that there would be a permanent market for Canadian cattle in northern Great Britain?

Mr. GARDINER: I had the idea it would be indefinite. After things settled down and shipping was available, they would be expecting to take the cattle from Canada they had taken in the past, and take them as freely as we can make them available. They are most anxious to get them.

Mr. LOCKHART: Is the production of egg powder still being carried on? There has been some recent criticism. If it is being carried on, to what extent?

Mr. GARDINER: It is being carried on, although not as many eggs are being dried as there were during the war.

Mr. LOCKHART: Could the minister give figures to show comparative shipments?

Mr. GARDINER: As nearly as I can recall, in the agreement we now have it is about half and half. During the war only dried eggs went over for a time. However, they are now talking about half shelled eggs.

Mr. LOCKHART: What was shipped until the termination of the war, and what is being shipped to-day in thousands of pounds?

Mr. GARDINER: The contract amount for 1946 is for 83 million dozen. Of this amount 52,500,000 dozen are in shells, and 32,500,000 dozen dried, or in a ratio of about five to three.

Mr. LOCKHART: What egg powder was shipped last year?

Mr. GARDINER: The contract last year was for 50,400,000 dozen; we shipped 42,000,000 dozen in the shell and 47,700,000 dozen dried.

Mr. SENN: Do the producers receive as much for eggs that are sold in the shell as they do for those sold as powder?

Mr. GARDINER: The farmer gets the same whichever it is.

Item agreed to.

Marketing service—

25. Agricultural economics, including surveys formerly under Prairie Farm Rehabilitation Act, $245,520.

Mr. SENN: I notice the report for 1945 states that certain surveys were made in regard to farm management and the cost of producing butter fat. The cost of producing butter fat in the Edmonton area is given as 68 cents a pound, while the cost in the Calgary area was something like 54 cents per pound. How does the minister reconcile those figures with the statement he made a short time ago that we have parity in farm prices?

Mr. GARDINER: I do not like to refer to another debate, but it is about the only way I can answer the question. The question of parity prices has been brought up on a number of occasions. In this connection I should like to refer to what was said by the Minister of Finance, as reported on page 1869 of *Hansard*. He said:

> However, let us take the period 1926-29 as the basis of parity, a period which apparently is regarded as being a favourable one for the farmers, and which is usually referred to as the basis of parity. Official figures from the bureau of statistics show that in March, 1946, the average wholesale prices of Canadian farm products was six per cent higher than the average of 1926-29, and that is without making any allowanace for wheat participation payments. I am informed that if wheat participation payments were added, instead of being six per cent the figure would be something like ten per cent. Over the same period the official index of prices of commodities and services, including labour used by the farmers had, according to the bureau of statistics, increased by seven per cent. That is, the actual level of farm prices is slightly higher to-day than in 1926-29, and the relationship between prices of goods farmers sell, and prices of goods and services farmers buy is almost identical with that which prevailed in the former period of prosperity, the advantage being in favour of the farm prices. I have taken this period because it is the one frequently quoted in respect of parity.

That was the statement made the other evening by the Minister of Finance when he was dealing with this question.

Mr. SENN: It does look as though you have given up the idea of parity when you find that the cost of production exceeds the price which the farmer is getting for a particular product. I do not think you can convince the farmer that he is getting parity

to-day in comparison with what is paid for other products. I should like to argue this a little further at some future time.

Mr. ARGUE: This item is of great importance to the people of the west because economic land surveys are different from soil texture surveys. An economic land survey takes into account the distance from markets, the prices of commodities, freight rates, land texture, average production and all the other economic factors that go into making a decent income on a farm. An amount of $75,000 is being provided for economic surveys, but this amount will not be put to the best use if the economic surveys that are made are not themselves put to the best use. If an economic survey is to be useful more attention will have to be paid to the results. These surveys should be the basis of deciding whether land shall be used for community pastures and whether submarginal land shall be taken out of the production of wheat and so on.

I understand that these economic surveys are conducted mostly by agricultural students during the summer time. If my theory serves me correctly, a few years ago these students were being paid something like $80 a month. What is being paid for the temporary help engaged to carry on these surveys? Agricultural students do not have a large field in which to find jobs during the summer months between terms and I think this provides one of the best ways of their making a few dollars.

Mr. GARDINER: The amount paid runs from $1,200 to $1,800, depending upon the students.

Mr. ARGUE: That is the yearly rate?

Mr. GARDINER: That is a yearly rate, which would work out at from $100 to $150 a month. I am more familiar with the engineering students who are engaged to do survey work under the P.F.R.A. The only complaint I have ever had with regard to the employment of these students is from people in the areas where they are working who say that they are being paid better than many people in the community.

Mr. ARGUE: I do not think that is a good complaint.

Mr. WRIGHT: Do they have to pay their own board?

Mr. GARDINER: No; they have their expenses.

Mr. STEPHENSON: I notice that in some departments there is an increase in travelling expenses. I do not know whether the Minister of Agriculture has done this, but I took occasion to figure out the cost of travelling expenses and I find that in the case of the Department of Agriculture it totals $1,360,000. Having been a member of a municipal council where we are used to figuring in hundreds of dollars, I may not have raised my sights high enough to understand why a department should pay out $1,360,000 for travelling expenses. Could the minister give us some breakdown of this figure?

Mr. GARDINER: It would be difficult to go through all the items and pick out each individual or group of individuals and account for the travelling expenses. The fact that travelling expenses are essential in the Department of Agriculture was emphasized by the questions which were asked a few moments ago. We have students out making surveys in the summer months who are paid from $100 to $150 a month. It is absolutely impossible to have them do this work unless they are driven from place to place. At times they must take a train to a certain point and then be driven to different places, checking crop conditions in the west at present in connection with prairie farm assistance and with regard to P.F.R.A., checking the spraying of fruit trees in the eastern part of Canada and many other things that have to be done to give service in connection with the operation of 750,000 farms all the way across Canada. That is a travelling job. There is no way in which service can be given in connection with agriculture unless we move officials around in the farming areas. We do get the complaint sometimes that there are too many of them, and there may be some justification for that complaint; I do not know. By that I mean that there are men employed in that kind of work both by the province and by the federal government. But they are all doing work that is worth while. Sometimes you have men sent out by processing organizations, buying farm products, eggs, butter, hogs, or whatever it may be, and when people see these men they think they are all government officials, but they are not. But I know of no other way of giving service to farmers than by getting people out on the roads and going to the farms and communities where farmers are. That costs money, but $1,300,000 out of a total expenditure of over $100,000,000 at present—the usual expenditures would run to around $20,000,000 or more—is not too high, I think, in view of the nature and value of the work.

Mr. STEPHENSON: Would it be possible to get a breakdown of these expenses?

Mr. GARDINER: The hon. member wants the amount spent for hotel accommodation, gasoline, railway services and the like?

Mr. STEPHENSON: Yes, I think so.

Mr. GARDINER: Probably we could get that. Does the hon. member want a breakdown of the total amount of $1,300,000?

Mr. STEPHENSON: I should like to have that.

Mr. WEBB: I think it would be well to have that on the record. There is an increase of $100,000 over last year; I am not complaining about that. It means that the farm services are to be extended, does it not?

Mr. GARDINER: There is, of course, an increase in the total expenditure for ordinary services, $19,429 this year, and $17,215 last year. The increase in travelling expenses will be in proportion, if not a little less, because the one part of our estimates which was pared more thoroughly than any other by the treasury board when I was before them was this very item. They went over it with a fine-tooth comb and took out everything that could be taken out. The real reason for the increase is that more service is being given. Cars can now be obtained which we had to do without during the war, and men are obtainable now, many of them back from overseas service and others that we could not get during the war. Some hon. members have said that we should have more veterinaries inspecting cattle. They have to have a car to do that work, and naturally the more we put on to do the work the greater the expenses will be.

Mr. STEPHENSON: I am not criticizing the expenses so much, but I think we ought to know something of how an amount of this size is to be spent.

Mr. GARDINER: We shall get that for you.

Mr. WEBB: This does not include the purchase of cars, does it?

Mr. GARDINER: I do not think car purchases would come under expenses. There might be depreciation on cars, mileage and that kind of thing.

Mr. QUELCH: Do oil surveys come under this item?

Mr. GARDINER: No. Any that we have passed so far come under experimental farms and under prairie farm rehabilitation.

Mr. BRACKEN: When travelling is done by automobile does the government provide the cars in some instances and allow the expense of running it to be charged up, or is there a double policy, with civil servants driving their own cars and being allowed mileage?

Mr. GARDINER: I answered a question with regard to that earlier under the administration of the department. We have cars operated both ways, but most of our cars are owned by the department, purchased by the department and operated by the civil servant. Some cars are owned by the individuals and we pay the expenses, so much per mile. As I remember the figure given earlier in the discussion, it is nine cents per mile for the first 4,000 miles, and seven cents per mile from then on.

Item agreed to.

Marketing service—

26. Dairy products, $438,652.

Mr. CHARLTON: Has the minister a statement to make on the increased subsidy asked for by the farmers who met in Ottawa last Thursday?

Mr. GARDINER: The farmers who met in Ottawa last Thursday did not see me. They did not ask to see me after their discussions here at that time, but they have since asked to see me some time this week and I have said that I am prepared to see them any time this week that they can be in Ottawa. No date has yet been set. I do not know that I should say here what I am going to say to them until I have heard them.

Item agreed to.

Marketing service—

27. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates, $694,221.

Mr. KIDD: How many cold storages are subsidized in Kingston?

Mr. GARDINER: The only one that has had assistance is the Canadian Cold Storage, with space of 17,169, and a subsidy total of $5,617.

Mr. KIDD: What is the total amount of subsidy which has been granted for cold storage?

Mr. GARDINER: It is $5,617.50.

Mr. KIDD: That is the total amount of subsidies granted to the cold storage plants?

Mr. GARDINER: Yes. The cold storage subsidy is 30 per cent; half paid the first year and the other half over four years.

Mr. McKAY: Would the minister give us a statement as to the basis of payments of subsidies for cold storage warehouses and plants? In this item I notice that cold storage cooperatives are dealt with; fruit, wine, dairy products and poultry are all included.

Could the minister make a brief statement in explanation of the present policy in this regard, because nothing is allowed for the province of Saskatchewan; at least, I cannot locate anything. We have cooperatives there which do a cold storage business; and a number of cold storage plants are being erected at the present time, including several small ones.

Mr. GARDINER: The four which have had the subsidy are: Moose Jaw Cold Storage Company, Moose Jaw; Saskatchewan Cooperative Creameries, Regina; Saskatchewan Cooperative Creameries, Saskatoon; Saskatchewan Cooperative Creameries, Vonda.

Mr. WRIGHT: They are not listed in the explanation, though.

Mr. GARDINER: They are listed in my explanation.

Mr. McKAY: What is the principle which is being followed?

Mr. GARDINER: I shall explain it. The position is that we have been paying for many years a subsidy which amounts to 30 per cent of the cost of constructing the plant. Half the 30 per cent is paid in the year the plant is constructed and the other half is divided equally over the next four years. The payments are made conditionally; no matter who constructs the plant, whether it be a private individual, a company, or a cooperative, the condition is that the plant must allow the public the services of that plant. The individual cannot utilize the plant for his own purposes if he accepts this grant; if he does not accept it he can do what he likes with his cold storage. Then we have certain rights in connection with the rates which are charged. We simply keep a check on them, and if those we assisted were charging unreasonable rates they would be checked up on that. There is an understanding that they must charge rates which are satisfactory to the department.

Mr. McKAY: What is the situation with regard to these small cold storage plants which are being erected at the present time throughout the west?

Mr. GARDINER: Plants which, I understand, have lockers in them?

Mr. McKAY: Yes, a locker system.

Mr. GARDINER: The regulation is that a plant which receives this assistance can have only 15 per cent of locker space, which is one way of enforcing the idea that the plant must be open to the general public. I have been arguing the point a little recently with officials in the department as to whether that should be changed. I said that conditions have changed considerably, and particularly out in our part of the country. It is the most useful kind of cold storage, I think, that can be put in in villages and towns where you have not any reason for having these large services such as you have in big cities. That matter is under discussion. Personally I am favourable to the suggestion that the assistance under this act should be applied to this class of storage plant, but up to the moment it has not been done.

Mr. McKAY: At the moment none of these has received any assistance?

Mr. GARDINER: No, not up to the moment, if they have more than 15 per cent given over to locker space.

Mr. BURTON: This vote is referred to on page 93 of the main estimates and several pages later, containing the details. I went through them some time ago and I noticed there were not any subsidies listed for Saskatchewan. Why are these not listed in the detailed explanation?

Mr. GARDINER: Those which are listed in the statement are only those which are affected by the grants which are in these votes, and these have not yet been made.

Mr. BURTON: You were speaking of the Moose Jaw and Regina grants.

Mr. GARDINER: I understood the question to be whether there were any in Saskatchewan that have been given assistance. I have just given one for Kingston which did receive assistance. These are already constructed and have been assisted. I do not recall any which have been applied for this year; if they have they would have been accepted if they had met the conditions.

Mr. NICHOLSON: Could the minister indicate whether in the supplementary estimates we might expect some grants for these smaller cold storage plants which are providing locker service? I understood that the minister is favourably disposed to making grants for them. I think it is recognized that they are providing a useful community service; and building costs are now high. If the minister could hold out some hope in this matter it would be well received all across the country.

Mr. GARDINER: There will be money in the supplementary estimates, as there always is, for any applications received between the time these estimates are made up and the time the house closes. But I think we would require to change the legislation in order to bring in the type of cold storage we are discussing

at the moment, the locker system where practically 100 per cent is locker space. I think there would have to be an amendment of the legislation, although I would have to check up to make sure that the matter is not governed by regulations rather than by legislation. If it is a matter of regulation there would be a possibility of this being done; if legislation is required it would have to come here before any assurance is given.

Mr. BENTLEY: What particular kind of organization must apply, or likely will apply, if you grant these small places the right to build locker plants?

Mr. GARDINER: A number have applied, and the organization I know best is the one in the second nearest town to where I myself live, that is in Abernethy. It is an organization of farmers, largely, and business people; they formed an association and built a cold storage locker plant, and they wrote here to see whether they were entitled to the grant. We informed them that under the legislation and the regulations as they now are they were not entitled to it. I think maybe I had half a dozen such applications of that type from Saskatchewan.

Mr. FRASER: I notice in the estimates there is $7,000 this year for Trenton cold storage, and there was $15,000 last year. The minister said this evening that subsidies are paid over a period of four years. This has been going on for a number of years—more than four. How much has been paid out in subsidies to the Trenton cold storage warehouse?

Mr. GARDINER: The only explanation is that there have been extensions. If the plant were built twenty years ago it would get its first grant in the first four years; but three or four years ago it may have added an extension on which it is entitled to the grant. I should say that a feature of the law is that any plant which gets a grant must apply before it starts its building operations. If that is not done, they are not entitled under the law to a grant. On a number of occasions, I would say probably a dozen times since I have been here, in ten years, we have had to bring in a special vote for some concerns which inadvertently broke that part of the law.

Mr. FRASER: Do they submit their plans to you?

Mr. GARDINER: They submit their plans to us. First, they have to make a request to the department which is dealt with in the dairy branch. The dairy branch examine the existing situation, as to the need, and advise them at the time the application is made as to whether on that basis it would be acceptable to the department. After that is done, they are required to build it up to a certain standard and live up to the other conditions which I mentioned a few moments ago.

Mr. BURTON: The minister has dealt mostly with the grant part of it; but on what basis are the subsidies paid?

Mr. GARDINER: The only subsidy that is paid—you might call it a grant, or a subsidy—

Mr. BURTON: You include that?

Mr. GARDINER: There is no subsidy. I am informed that there are a few instances where it was impossible for those applying to live up to the conditions of the act where a grant has been made apart from the subsidies that are paid under the conditions of the act, but there are only a few of them scattered over a long period of time.

Mr. BRACKEN: The minister has partly answered the question I had intended to ask. Are these subsidies granted to all who apply, provided that they comply with the regulations, or are you limited by the appropriation or by any departmental regulations?

Mr. GARDINER: I think I can best answer that by saying that in the early stages of the act applications were made and were practically all accepted, but there was a period just prior to the war when cold storage was overbuilt. I believe it began in the period when Mr. Bennett was here, and it continued on to the first years that I was here down to war time when we had to check this whole situation carefully in different communities before agreeing to add to the cold storage. That continued for about two years of the war, and then it became evident that because of the enormous shipping of food products we had to have more cold storage. From then down to the present these have been passed almost automatically. If persons could live up to the conditions of the act and the cold storage were needed—and there were very few cases where it was not needed—it was passed almost automatically. At the moment I cannot recall any that have not been passed in recent years.

Mr. NICHOLSON: In what year was the act passed?

Mr. GARDINER: It was passed in 1907.

Mr. BRACKEN: The department is not required to accept these applications even though they comply with the regulations?

Mr. GARDINER: No, it is not required.

Mr. McKAY: The minister has indicated that there is a 30 per cent grant based on construction costs, I believe.

Mr. GARDINER: Yes.

Mr. McKAY: Is there any restriction in dollars as to the amount of the grant?

Mr. GARDINER: I should say it takes in both the lands and the buildings, but there is no limit.

Mr. McKAY: No top limit?

Mr. GARDINER: No, excepting that it is usually done through Mr. Singleton of the dairy branch. He examines into the situation and he might say to them: "We do not advise you to put in more than a certain capacity." That limits the amount which is spent.

Mr. LENNARD: I see an item here as follows: "Dundas, Samuel Netkin." He has had several grants in 1944, 1945 and 1946. He got $3,600 last year, and I see an equal amount this year. Has the minister the figures to show what he will have for the complete grant when it is completed?

Mr. GARDINER: That is for this year?

Mr. LENNARD: Last year he received $3,600, and there is also the same item to be passed this year. These two items will amount to $7,200.

Mr. GARDINER: It is one of the four items. I could not say whether it is the first, second or third.

Mr. LENNARD: Are they equal payments?

Mr. GARDINER: After the first year they are equal. The first year it is half the total, and then for each of the next four years it will be the same amount. I assume this is one-quarter of half the amount.

Mr. LENNARD: Is that grant given for land and buildings, or just the buildings?

Mr. GARDINER: Land and building.

Mr. LENNARD: No interior decoration?

Mr. GARDINER: The interior equipment, if you call that decoration.

Mr. LENNARD: In this particular case I might, yes.

Mr. GARDINER: The whole equipment of the building, the building itself and the land.

Mr. BRACKEN: The answer to the hon. member's question then would be eight times the figure that is in this year's estimate?

Mr. GARDINER: That would appear to be so.

Item agreed to.

[Mr. Gardiner.]

Marketing service—

28. Fruit, vegetables and maple products and honey, including grant of $5,000 to Canadian horticultural council, $683,764.

Mr. CHARLTON: I understand that there has been some change in the classification of the senior fruit and vegetable inspector and the supervising fruit and vegetable inspector. Has there been a corresponding change in salary? How did that change in classification come about?

Mr. GARDINER: The supervisor is supervising the inspection staff and the senior inspector is just the senior inspector on that staff. The two terms have been reversed in a recent reorganization of the department. The supervisor is made the official who has charge of the others.

Mr. CHARLTON: Do the salaries remain the same?

Mr. GARDINER: Not quite the same; there have been salary increases. The senior had a maximum of $2,500: it is now $2,700.

Mr. CHARLTON: The supervising fruit and vegetable inspectors come above the seniors?

Mr. GARDINER: Yes, that is correct.

Mr. CHARLTON: Their salaries would be higher than the senior inspectors' were before?

Mr. GARDINER: Yes.

Mr. COLDWELL: Could the minister tell us something about the honey production, what the marketing of honey is likely to be in the future? I believe there has been a big expansion in the production of honey in Saskatchewan and other western provinces.

Mr. GARDINER: The 1945 honey crop was estimated at 30,683,000 pounds and valued at $4,946,000, or 11·8 per cent short of the 1944 crop, which was valued at $5,253,400. The average yield per colony was only fifty-nine pounds as compared with sixty-nine pounds in 1944, and the 1935-39 average of ninety-three pounds. The production has been down per colony. Adverse weather conditions in eastern Canada were responsible for the reduced total.

Increased interest in beekeeping evidenced since the outbreak of war continued during 1945, the total number of beekeepers rising to the record figure of 43,800 as compared with 40,700 in 1944, and the 1935-39 average of 26,860. The number of colonies of bees operated in 1945 was 524,100, as against 508,500 in 1944 and the 1935-39 average of 382,840. The demand for honey was heavy, despite rationing restrictions, and ceiling prices were maintained throughout the year.

Mr. COLDWELL: I am interested in the possibilities of extending our honey export market. What are the prospects with regard to that?

Mr. GARDINER: In 1940 we were exporting 10,762,000 pounds. In 1942 we exported 4,071,000 and, in 1942, 1,880,000 pounds, and from that time we did not export any. We are utilizing the quantities that I mentioned a moment ago for home consumption.

Mr. COLDWELL: Is there a demand from overseas?

Mr. GARDINER: There is now, and it will grow.

Mr. COLDWELL: That is what many of our people are interested in. They would like to get some assurance that in all probability the demand for our honey will grow on the export market. I believe we produce a high grade of honey.

Mr. GARDINER: They want all the honey they can get, but at the moment they are not prepared to agree to take any certain quantity.

Mr. NICHOLSON: Earlier the hon. member for Rosetown-Biggar raised the question of the variation across the dominion in the quality of fruit. On a previous occasion I raised the question of variations in the quality of fruits and vegetables offered for sale in cans. Could the minister make some statement on what his department is doing so that a consumer who buys canned goods may have some guarantee in regard to quality? There has been a great variation in the qualities offered in different parts of Canada at different times. During the Stevens price spreads inquiry it was disclosed that there were some irregularities in connection with this trade. So that I should like the minister to explain what assurance the consumer has that canned goods being offered for sale have been inspected as to quality and quantity.

Mr. GARDINER: As I remember them, the Stevens reports criticized the great number of sizes of containers, and also criticized the quality to some extent. We have regulations which I think were brought in during the last year before we took over in 1935 and which, since that time, have been adjusted as a result of our experience. I believe we have regulations in that regard as strict as any that can be found anywhere.

Mr. NICHOLSON: How about fruits and vegetables canned in British Columbia; how do they compare with those canned in Ontario or the maritimes?

Mr. GARDINER: They are much the same. The standard is the same; the containers are of standard sizes, and the quality is good. There may be some difference in the quality of the different fruits in different years. In other words, some years weather conditions in Ontario make it difficult to produce the best quality fruits, and in other years you will find similar conditions with regard to certain other fruits in British Columbia. The product may not look to be as good, but it is at least supposed to be graded up to an equal standard.

Mr. NICHOLSON: What machinery have you to assure the consumer that Aylmer or Heinz or Campbell canned goods, first quality, are similar to those offered by other competitors?

Mr. GARDINER: The plants are all specially inspected, but I must repeat that we should keep in mind in connection with these matters the fact that we have no control over fruit that is put up in Ontario for sale in Ontario. We control only fruit that may be exported from Ontario. A short time ago I made a statement for which one of the local newspapers took me to task. I said that the red gauze was being taken off peaches. That is a fact; the red gauze is being taken off peaches as far as we have any control over them, but we cannot control the marketing of peaches in Ontario which are grown in Ontario. Of course that was made perfectly plain at the time.

Mr. LOCKHART: The minister would not have time to-night, but at the next sitting of the committee would he deal with a question which is of vital importance to fruit growers almost from coast to coast? It has to do with the importation of maraschino cherries, particularly Italian cherries, that have come or are likely to come into Canada because the ad valorem duty is very low. During the war a definite improvement was made in the production of maraschino cherries from both British Columbia and Ontario fruit, and a really beautiful product has been turned out. I know great fears are felt that this market may be lost. I believe we must say, to the credit of the growers and processors of this country, that they have turned out a product second to none. I know the minister would not have time to deal with the matter to-night, but at the next sitting of the committee would he review the situation and tell us the possibilities? Even if there should be need of subsidies, certainly some assistance should be given to the fruit growers and processors to protect their market, after they made such valiant attempts during the war years to

provide a Canadian product which had not been produced heretofore. Would the minister give us a full statement as to the possibilities of protecting that market in the interests of our fruit growers? It has grown to be an important market, and a wonderful product has been turned out.

Mr. GARDINER: I can say that what has been said in regard to the matter is in accordance with the facts as I know them. There has been a considerable development of this production, but I am afraid I cannot say anything about what will happen until the conclusion of the trade meeting which is to take place this summer. That meeting is being held for the purpose of taking restrictions off trade. I do not know whether we are going to advocate putting on any, but that is something which will have to be considered. I do not think I could say anything in that regard that would be helpful.

Mr. LENNARD: Could the minister assure us that these growers and processors who developed that industry during the war years will receive his support within the government when the question arises? I realize that this is a matter concerning duties and that sort of thing, which probably does not come within his department, but could be assure us of his support?

Mr. GARDINER: All I can say is that I am not a protectionist.

Mr. LENNARD: It is not a matter of protection; it is a matter of preventing a product from being dumped in this country from another country where there is quite a different standard of living. It is not a question of protection at all; it is a question of the survival of an industry which has been more or less perfected in Canada during the last few years.

Mr. LOCKHART: It is Italian fruit; we may as well call a spade a spade. Here is a country that is likely to come in and take away the splendid market that has been developed in this country, and I think the minister should give the matter the fullest possible consideration.

Mr. GARDINER: My hon. friend has said it is dumping, and if that is so it cannot be done under the present law.

Mr. LOCKHART: The dumping duty was taken off at the beginning of the war. Why should it not be reestablished?

Mr. LENNARD: To the best of my knowledge the United States has a duty of about ten cents a pound against the Italian cherries, which prevents them from being dumped on that market; and I understand that the British market is closed to this product.

Mr. GARDINER: I believe our duty is 15 per cent plus two cents.

Mr. LENNARD: I think it is 17½ per cent.

Item stands.

Progress reported.

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

Wednesday, May 29, 1946.

The house met at three o'clock.

REPORT OF COMMITTEE

INDIAN ACT—CONCURRENCE IN FIRST REPORT

Mr. D. F. BROWN (Essex West) presented the first report of the special joint committee of the Senate and House of Commons appointed to examine and consider the Indian Act, and moved that the report be concurred in.

Motion agreed to.

IMMIGRATION

ADDITIONS TO ADMISSIBLE CLASSES—TRAVEL DOCUMENT FOR DISPLACED PERSONS

Hon. J. A. GLEN (Minister of Mines and Resources): I desire to make a statement to the house. For some time the government has been giving serious study to the matter of immigration, and it has been considered advisable to permit a somewhat increased movement of immigrants to Canada than would be possible under existing regulations. In addition to British subjects and United States citizens the present regulations provide for the admission of,

(a) the wife or unmarried child under eighteen years of age of any person legally admitted to Canada who has sufficient means to maintain himself until employment is secured;

(b) an agriculturist having sufficient means to farm in Canada;

(c) the fiancee of an adult male legally admitted to and resident in Canada who is in a position to receive, marry and care for his intended wife;

(d) a person who, having entered Canada as a non-immigrant, enlisted in the Canadian armed forces and, having served in such forces, has been honourably discharged therefrom.

Alien immigrants, other than United States citizens, require to be in possession of a properly vised passport.

By order in council 2071 dated 28th May, 1946, the following have been added to the admissible classes:

The father or mother, the unmarried son or daughter eighteen years of age or over, the unmarried brother or sister, the ophan nephew or niece under sixteen years of age, of any person legally admitted to and resident in Canada who is in a position to receive and care for such relative. The term "orphan" means a child bereaved of both parents.

As there will be a number of persons coming within the degrees of relationship that I have just described who cannot obtain a valid passport required by the present passport regulations, these have also been amended by P.C. 2070 dated 28th May, 1946, to permit of the acceptance of a travel document establishing the identity of the holder in the case of an immigrant who has been displaced from his country of origin as the result of the war and is not in possession of a valid passport.

The action taken is intended as a short term measure to provide for the admission to Canada of approved persons who can be both maintained until established and provided with housing by relatives, and to meet in some measure the pressing demands being made on behalf of refugees or displaced persons having relatives in Canada anxious to provide them with homes.

It is necessary to state that for reasons beyond the control of the government the amending of the regulations does not mean immediate action can be taken to admit immigrants from overseas. At the present time there is an acute shortage of westbound transatlantic passenger accommodation, due primarily to the scarcity of passenger vessels, the return of service personnel and the bringing to Canada of their dependents. There are still approximately 32,000 of the latter in the British isles and on the continent. There are also many Canadians overseas awaiting opportunity to return home. While every effort is being made to complete these movements and hasten the return of normal conditions, it undoubtedly will be the end of the present year before much accommodation will be available for the ordinary traveller.

Prior to the war the immigration branch maintained inspectional staffs at European ports of embarkation for the examination of immigrants. These staffs had to be withdrawn following the outbreak of hostilities. It is proposed to reestablish inspectional facilities on the continent as quickly as circumstances permit, so that as transportation becomes available immigrants of the admissible classes may come forward.

I may say further that I expect there will be a flood of applications made by persons resident in Canada who desire their relatives to come to this country. In view of what I have already said in regard to the transfer and transportation of our personnel in the armed forces, as well as their dependents, and in view also of the acute shortage of shipping, it will not be possible to give any priority to those who may make applications.

I wish to emphasize that the mere submission of applications now will not give any priority to those making such applications. They will be dealt with when the time arrives at which we can deal with them. May I add that the immigration branch to-day suffers not only from a shortage of staff and an insufficiency of space, but from the added fact that it is receiving mail in such great quantities that it is physically impossible to deal with it in the expeditious manner we would wish to follow.

However I give this warning to the house and to the country that applications will not receive any priority until, as I have already said, the personnel of the armed forces, as well as their dependents, and those wishing to be repatriated from European countries, are brought to Canada.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, the minister has outlined some recent action by the government which will result in increasing the flow of immigration to Canada. Might I in this connection ask two simple questions. He pointed out that two orders in council had recently been passed. What are the dates of those orders in council? Then, would he give us some idea—if he has any—of what the increased volume of immigration is likely to be under these new proposals?

Mr. GLEN: The order in council dealing with the admissibility of immigrants is P.C. 2071, dated May 28, 1946. The one dealing with passport requirements is P.C. 2070, dated May 28, 1946. It is impossible to give any estimate as to the number of immigrants.

Mr. GREEN: Does the regulation extend to immigration from the orient?

Mr. GLEN: No.

TRANSPORT TO CANADA OF WIVES OF SERVICE PERSONNEL

On the orders of the day:

Mr. E. G. HANSELL (Macleod): I should like to put a question to the Minister of National Defence or the Minister of Mines and Resources, and I shall be glad to place it on the order paper if my question is not in order. This question is pursuant to the anouncement made this afternoon with reference to service men's wives. I should like to know how many are still to be brought over from the United Kingdom. I do not want the exact number, but are there many still to be brought over, and when can we expect this transportation to be completed?

Hon. DOUGLAS ABBOTT (Minister of National Defence): I have not the figures with me at the moment, but I believe the total is somewhere in the vicinity of 12,000 or 14,000 wives.

IMMIGRATION OF ALLIED EX-SERVICE MEN TO MARRY CANADIAN GIRLS

On the orders of the day:

Mr. L. W. SKEY (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Mines and Resources: Will ex-servicemen of the allied forces be allowed to come to Canada under the new immigration provisions in order to marry Canadian girls to whom they are engaged?

Hon. J. A. GLEN (Minister of Mines and Resources): Yes, subject to the regulations.

OPPORTUNITY FOR DISCUSSION OF ORDERS IN COUNCIL

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I desire to ask the Acting Prime Minister a question. Will an early opportunity be afforded to discuss the two orders in council referred to by the Minister of Mines and Resources concerning immigration from Europe? I cannot understand why this is handled by order in council when the House of Commons is in session.

Some hon. MEMBERS: Order.

Mr. CHURCH: I should like to have a reply.

Right Hon. J. L. ILSLEY (Acting Prime Minister): There will be an opportunity on the estimates of the Department of Mines and Resources to discuss the action which was taken. I gather that the order in council was passed pursuant to legislation.

[Mr. Church.]

Mr. CHURCH: It is an outrageous and irregular proceeding while the House of Commons is in session.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

WAR ASSETS—CONSTRUCTION MACHINERY

Mr. THATCHER:

1. Has the city of Moose Jaw recently sought to purchase from War Assets Limited, certain construction machinery needed to improve its water supply?
2. Is there any such equipment now being stored in hangars at No. 2 R.E.M.U.?
3. If so, what action has been taken to date in this regard?

Mr. McILRAITH:

1. Yes.
2. Yes.
3. The equipment declared surplus at No. 2 R.E.M.U. by the Department of National Defence for Air and now in the possession of War Assets Corporation is being disposed of in accordance with the sales policy of the corporation.

The provincial government of Saskatchewan is exercising its higher priority to obtain some of this equipment and as a consequence the application of the city of Moose Jaw for construction machinery can be met only in part by War Assets Corporation.

"CANADA 1946"

Mr. GRAYDON:

1. Upon what date did "Canada 1946" come off the press and become ready for distribution?
2. Why does the said official handbook contain no reference to the progress made by Canada in the field of external affairs?

Mr. MacKINNON:

1. First 1,000 copies received April 12, 1946.
2. It has been the policy to include the constitution and government chapter, which normally carries such material, at intervals only, owing to the limitations on the size of the standard edition of the handbook. This particular chapter appeared last in "Canada 1940", but reprints of that material have been made available to inquirers in intervening years. During war years especially, increased pressure on space and paper shortages were experienced, but limited treatments on external affairs (mainly in the form of statements in the war effort and illustrative matter) have appeared. In special Spanish and Portuguese editions of the handbook printed in 1945 for distribution abroad, the chapter on constitution and government,

together with special external affairs material, was included. Plans for "Canada 1947" have in view the inclusion of the constitution and government chapter in revised form.

COMMITTEE ON FOOD REQUIREMENTS

Mr. MARSHALL:

1. Who are the present members of the Committee on Food Requirements which operates under the jurisdiction of the Privy Council?

2. How is the work of this committee coordinated with the Department of Agriculture?

3. What amount of money was allotted to this committee in the year ended March 31, 1946, and how was it spent?

Mr. MACKENZIE:

1. Present members of the food requirements committee are as follows:

Dr. D. B. Finn, Department of Fisheries (Chairman).

Dr. G. S. H. Barton, Department of Agriculture.

Mr. S. D. Pierce, Department of External Affairs.

Mr. M. W. Sharp, Department of Finance.

Dr. L. B. Pett, Department of Pensions and National Health.

Mr. W. F. Bull, Department of Trade and Commerce.

Mr. K. W. Taylor, Wartime Prices and Trade Board.

2. The work of the committee is coordinated with the Department of Agriculture as may be necessary by means of the presence at committee meetings of a representative of that department.

3. $855 were allotted to the committee in the year ending March 31, 1946. None of this money was spent.

NOVA SCOTIA FISHERIES—DESTRUCTION OF TRAWL GEAR

Mr. WINTERS:

1. Has the Department of Fisheries received complaints regarding alleged destruction by trawlers of foreign registry, of trawl gear used by Nova Scotia fishing schooners on Quero bank off the coast of Nova Scotia?

2. If so (a) by whom and when were complaints made; (b) what action has been taken or is contemplated to protect Nova Scotia deep sea fishermen?

Mr. BRIDGES:

1. Yes.

2. (a) By Willis Park, secretary-treasurer, Canadian Fishermen's Union, Lunenburg, N.S., on May 21 and by H. C. Meade, district representative Canadian Fishermen's Union, Halifax, N.S., on May 22; (b) complaints are of a general nature and investigation has been instituted to obtain full facts.

PERMANENT FORCE NAVY

Mr. DIEFENBAKER:

1. What is the present strength of the permanent force navy?

2. How many men are in each of the following categories: (a) chief petty officers; (b) petty officers; (c) leading seamen; (d) able seamen; (e) ordinary seamen?

Mr. ABBOTT:

1. Strength of permanent force navy at 1st May, 1946: officers, 751; ratings, 4,364; total, 5,115.

2. As of the 1st May, 1946: (a) chief petty officers, 300; (b) petty officers, 373; (c) leading seamen, 301; (d) able seamen, 400; (e) ordinary seamen, 612.

PRISONERS OF WAR—BOWMANVILLE TRAINING SCHOOL

Mr. STEPHENSON:

1. What are the names of the contractor or contractors engaged in changing the Bowmanville Training School from a prisoner-of-war camp to its original status?

2. If incorporated, what are the names of the directors and officers of the company?

3. If a partnership, who are the partners?

4. On what basis is the contract let?

5. What is the estimated cost of making the change?

6. When will this school be ready for occupancy?

Mr. McILRAITH:

1. Frontenac Construction Co. Limited, 67 Victoria Street, Toronto, Ontario.

2. No information.

3. Not a partnership.

4. Contract was awarded on the basis of actual cost plus a fixed fee of $3,500. This fee includes plant or equipment rental, overhead and profit.

5. Estimated cost is $83,483.

6. School expected to be ready for occupancy by June 30, 1946.

UNEMPLOYMENT INSURANCE—SASKATCHEWAN

Mr. McKAY:

1. How many persons were in receipt of unemployment insurance benefits in the province of Saskatchewan during (a) November, 1945; (b) April, 1946?

2. What was the total amount of the unemployment insurance benefits paid out in Saskatchewan during (1) 1945; (2) since the inception of the act?

Mr. MITCHELL:

1. (a) 902; (b) 3,866.

2. (1) $319,644; (2) the total amount paid out in benefits in Saskatchewan since the inception of the act to April 30, 1946, was $916,765.44.

WAR ASSETS CORPORATION—ADVERTISING

Mr. FRASER:

What was the cost to War Assets Corporation during the year 1945 for all forms of advertising?

Mr. McILRAITH: $35,299.04. This amount includes $33,666.68 for advertising disposal of surplus assets and $1,632.36 for advertising in relation to general administration of War Assets Corporation.

CLOTHING

Mr. FLEMING:

What were the quantities (a) produced in Canada; (b) imported into Canada; (c) exported from Canada, in each of the years commencing 1939, of the following kinds of clothing: (a) shirts; (b) underwear; (c) socks; (d) suits; (e) overcoats; (f) shoes, for (i) men; (ii) boys; (g) underwear; (h) stockings; (i) coats; (j) shoes, for (i) women; (ii) girls; (iii) babies?

Mr. MacKINNON:

(a) Production of Specified Items of Clothing, Canada, 1939-1944

(i) Year	(a) Men's fine shirts	(b) Underwear (Men's, Women's and Children's)	(c) Hosiery (Men's, Women's and Children's)	(d) Men's Suits (Woollen)	(e) Men's Overcoats
1939	718,427	3,165,211	8,112,842	1,305,794	595,657
1940	748,139	3,785,139	8,843,807	1,201,281	810,151
1941	834,495	4,007,898	8,957,859	1,409,125	869,264
1942	894,865	3,891,850	8,804,521	1,406,619	1,149,240
1943	748,694	3,333,155	8,374,383	1,171,117	1,156,000
1944	710,443	3,544,734	8,433,143	1,252,923	825,557

(ii)	(a) Boys' Shirts and Blouses dozen	(b) Boys' Underwear	(c) Boys' Socks	(d) Boys' Suits Number	(e) Boys' Overcoats and Reefers Number
1939	50,204	Not compiled	Not compiled	369,601	123,995
1940	65,811	separately	separately.	434,245	120,791
1941	72,572	Included	Included	406,004	147,829
1942	57,668	with (i)-(b)	with (i)-(c)	298,055	117,065
1943	103,856			295,107	104,584
1944	102,866			369,530	104,032

(f) Production of Leather Footwear 1939-1944

	1939 Pairs	1940 Pairs	1941 Pairs	1942 Pairs	1943 Pairs	1944 Pairs
Men's	7,479,974	7,970,440	9,311,908	10,207,188	10,417,982	9,074,812
Boys' and youths'	1,250,116	1,211,146	1,357,251	1,258,095	1,493,169	2,351,521
Women's	11,740,391	12,024,955	15,230,045	15,711,546	15,852,454	16,195,425
Misses' and Children's	3,215,655	3,480,337	3,949,205	3,965,630	4,021,146	5,046,480
Babies' and infants'	1,119,115	1,064,739	1,673,827	1,923,930	2,142,870	2,602,359
Total	24,805,251	25,751,617	31,522,236	33,066,389	33,927,621	35,270,597

	(g) Underwear (i)-(ii)-(iii)	(h) Stockings (i)-(ii)-(iii)	(i)-(ii) Women's and Misses' coats (woollen) Number	(i)-(iii) Children's Coats (woollen) Number
1939	Not compiled	Not compiled	1,082,759	402,449
1940	separately.	separately.	1,257,378	325,529
1941	Included	Included	1,493,957	447,260
1942	with (i)-(b)	with (i)-(c)	1,634,205	522,498
1943			1,434,029	510,935
1944			1,431,032	624,757

(b) Imports into Canada, as specified, calendar years 1939 to 1945

	1939	1940	1941	1942	1943	1944	1945
3066 (a) Shirts, not knitted, cotton .....lb.	94,095	91,643	15,247	4,191	4,988	13,468	6,543
(b) and (g)							
3067 Underwear, cotton, knitted, lb.	120,442	41,895	52,361	4,090	265	46	270
3245 Underwear, silk, knitted...lb.	240	23	52	26	....	....	6
3323 Underwear, wool, knitted..lb.	96,517	77,118	64,534	57,701	5,872	50	....
3385 Underwear, artificial silk, knitted .....lb.	6,882	3,270	2,450	818	....	....	....
3525 Underwear, n.o.p., knitted..lb.	2,527	27	78	98	....	....	....
(c) and (h)							
3065 Socks and stockings, cotton .....doz. pr.	4,895	3,271	12,318	7,388	131	412	2,483
3244 Socks and stockings, silk, ...doz. pr.	863	1,102	106	23	8	35	227
3322 Socks and stockings, wool .....doz. pr.	121,631	110,100	91,231	85,274	8,237	417	84
3382 Socks and stockings, artificial silk .....doz. pr.	860	1,174	2,850	2,855	5	90	174
(d) not available.							
(e) not available.							
(f) and (j).							
2231 Boots and shoes, pegged or wire fastened .....pair	7,772	2,423	1,520	1,007	941	1,029	513
2232 Boots, shoes and slippers, with leather upper, n.o.p. men's (size 5½ and up).....pair	128,061	84,336	70,877	60,671	55,620	24,756	41,735
2233 Boots, shoes and slippers, with leather uppers, n.o.p., women's (size 2½ and up) ..... pair	604,153	374,880	364,229	423,668	501,763	511,596	493,438
2234 Boots, shoes and slippers, with leather uppers, n.o.p., children's (all other sizes) ..... pair	73,344	40,389	24,081	29,336	69,732	39,643	87,930
9059 Boots, shoes and slippers, with felt uppers.....pair	93,321	41,106	14,518	39,292	28,126	38,034	48,298
9060 Boots, shoes and slippers, n.o.p. .....pair	469,016	282,806	244,678	135,997	143,844	149,179	196,827
(i) not available.							

(c) Exports from Canada, as specified, calendar years 1939 to 1945

(a) not available.							
*(b) and (g)							
Cotton underwear	$129,580	$142,639	$248,523	$179,707	$188,013	$ 91,946	$146,486
Wool underwear	$ 10,472	$ 15,731	$ 29,177	$ 51,147	$ 58,040	$271,622	$196,010
Artificial silk underwear	$139,141	$214,561	$248,512	$152,758	$ 78,164	$ 84,995	$136,300
(c) and (h)							
Socks and stockings, silk...doz. pr.	505,117	404,167	423,025	34,361	501	....	....
Socks and stockings, n.o.p...doz. pr.	51,584	171,670	174,322	211,402	212,549	345,085	266,902
(d) not available.							
(e) not available.							
(f) and (j)							
Boots, shoes and slippers.....pair	400,750	578,996	852,592	1,129,534	1,021,308	1,177,203	1,273,888
(i) not available.							

* Quantity not recorded.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EMPLOYMENT OF PRISONERS OF WAR IN SUGAR BEET AREAS

Mr. HACKETT:

1. Did the government ask the sugar beet growers of south-western Ontario to plant 35,000 acres to sugar beets in the year 1946?
2. If so, what provision was made to supply prisoners of war in work camps to do sugar beet work in the area?
3. Is the number of prisoners of war available for sugar beet work in camps this year considerably less than the number used last year? If so, why?
4. What numbers of prisoners of war have been made available for sugar beet work in the camps of Manitoba and Alberta this year and how do these numbers compare with those of last year?

SOLDIER SETTLEMENT—SASKATCHEWAN

Mr. DIEFENBAKER:

1. How many quarter sections of land were sold by the Soldier Settlement Board in the province of Saskatchewan between 1943 and 1945, both inclusive?
2. What were the highest and lowest prices realized on such sales?
3. How many of the lands so sold have been purchased back by the Vetedans' Land Act administration?

MOTIONS FOR PAPERS

POSTAL SERVICE—LETTER BOX COLLECTION, TOWN OF BEAUHARNOIS

Mr. RAYMOND (Beauharnois-Laprairie):

For a copy of all correspondence, reports and other documents in the possession of the Post Office Department, regarding the establishment of a letter-box collection in the town of Beauharnois.

POSTAL SERVICE—LETTER BOX COLLECTION, TOWN OF LAPRAIRIE

For a copy of all correspondence, reports and other documents in the possession of the Post Office Department, regarding the establishment of a letter-box collection in the town of Laprairie.

HOUSING

COST OF HOUSES UNDER VETERANS LAND ACT

On the orders of the day:

Mr. E. D. FULTON (Kamloops): I should like to ask the Minister of Veterans Affairs a question in connection with a news item from Sherbrooke, Quebec, reported in this morning's Montreal *Gazette* under the heading, "Vets barred from land act homes by Ottawa shift boosting prices." Similar complaints have been received from other parts of the country. I mentioned this matter to the minister this morning, and the question I wish to ask is as follows: Under what authority does the Department of Veterans Affairs charge veterans more than $6,000 for houses under the Veterans Land Act?

Some hon. MEMBERS: Order.

Mr. SPEAKER: I think the question is one which should be placed upon the order paper.

Mr. FULTON: May I, with your permission, put the question shortly?

Mr. SPEAKER: I suggest to the hon. member that he put his question on the order paper.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): If I may be permitted, without replying to the question asked by my good friend the hon. member for Kamloops, may I say to him that at the first meeting of the committee on veterans' affairs I, along with the officers of my department, shall be glad to go thoroughly into the whole question of housing costs in Canada.

HOUSE OF COMMONS

WOMEN IN ATTENDANCE IN THE GALLERIES—WEARING OF HATS

On the orders of the day:

Mrs. GLADYS STRUM (Qu'Appelle): There is a matter I wish to draw to the attention of the acting house leader, the Minister of Veterans Affairs. It has been the custom not to allow women in the gallery without some kind of head covering. So many women go everywhere now without hats that the observance of this regulation is enforcing indignity on this house—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I would suggest that the hon. member put her question on the order paper.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): With deference to Your Honour, I think the hon. member has raised a question affecting the privileges of parliament and of those attending parliament. I suggest that she direct her question to someone more competent to reply than the Minister of Veterans Affairs.

Mrs. STRUM: To whom should the question be directed?

An hon. MEMBER: To Mr. Speaker.

Mr. GRAYDON: To the hon. member for Winnipeg South Centre.

Mr. SPEAKER: As the question asked by the hon. member concerns the house, I suggest

that she put her question to the Speaker, but not from the floor of the house, as it is against the rule. I shall be very glad to give it consideration.

LABOUR CONDITIONS

SEAMEN'S STRIKE—AMENDMENT OF CANADA SHIPPING ACT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Yesterday I directed a question to the Minister of Transport in regard to the arrest of seamen who were involved in a labour dispute. Can he make a reply to-day?

Hon. LIONEL CHEVRIER (Minister of Transport): The question the hon. member asked yesterday was whether immediate consideration would be given to the removal of an anachronism in the Canada Shipping Act, section 288 of chapter 186 of the revised statutes, 1927, under which seamen engaged in an industrial dispute can be arrested and tried as deserters.

I have looked at section 288 of the Canada Shipping Act, and I find it deals not only with the subject matter to which the hon. member referred, but also to several other matters, such as neglecting or refusing without reasonable cause to join a ship or to proceed to sea; quitting a ship without leave after her arrival in her port of delivery; wilful disobedience to any lawful command given by the master; assaulting any master or mate; combining with any other or others of the crew to disobey lawful commands; wilfully damaging the ship or embezzling or wilfully damaging any of her stores or cargo; and lastly, any act of smuggling. I have looked at the section and have given it some consideration. I am informed by the officers of my department that when a seaman is engaged by an operator he signs an agreement, one clause of which provides that he is to give at least seven days' notice of separation. Had that been done in the cases to which I presume my hon. friend is referring, I am told that that would have been a perfect defence to any charge under section 288.

Dealing directly with the question which my hon. friend put, I am informed further that the Canada Shipping Act as it now stands is taken pretty much from the shipping act of the United Kingdom. In fact there is in the United Kingdom act a section which is much the same as section 288. That section still remains in the act, notwithstanding the reference which my hon. friend has made. I am informed still further that following the passing of the Statute of Westminister this parliament decided to enact the Canada Shipping Act. The bill was initiated in the senate and I presume it had the approval of this house. That was done in 1934, not so long ago.

The matter as I see it is that no action was taken by the Department of Transport against these men and it is felt that no action is indicated at this time.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I should like to address a question to the Minister of Labour which he may treat as a notice if he desires. Can he make a statement on this dislocation of water transport? According to the newspapers the eight hour day has been conceded, and we learn also that there has been some revision, and so on. Could the minister, probably to-morrow, give us a complete statement so that we may have the facts before us rather than the rumours which are current at the present time?

Hon. HUMPHREY MITCHELL (Minister of Labour): I shall be very glad to do that. I thought we had this dispute pretty well under control until the unfortunate incidents of last Friday occurred in the city of Montreal. I am not attempting to apportion blame to one side or the other. I have heard both stories and until you have really taken time to consider them it is pretty hard to blame one party or the other. I shall be glad to give my hon. friend to-morrow the answer he desires.

I have been in conversation with the owners and representatives of the union both yesterday and to-day. It may be only my judgment and opinion, but I think the differences between them are quite small. When the conference was arranged for Tuesday I thought we could probably settle this dispute without having any unfortunate incidents such as have occurred within the past two or three days.

Mr. CHEVRIER: May I follow up what the Minister of Labour has said by making some reference to the ships of the Department of Transport?—because I think there has been some misunderstanding with reference to these ships. In answer to a question put some days ago by the leader of the opposition (Mr. Bracken) I said that in the Department of Transport we had the eight hour day in effect, and that while we did not pay time and a half for overtime we do allow time off for any work of an overtime nature that is done. A large number of ships are operated by the Department of Transport. Until recently the men on five of these ships were on strike, or were reported not to have returned to their ships. I am informed that that was due to an error and that there was no intention on the part of the men to abandon their ships. The department has agreed that in the place of the ar-

rangement obtaining hitherto, whereby members of the crews of vessels operated by the department were given time off to compensate for any hours worked in excess of eight per day, we will operate henceforth on a straight eight hour day. It is understood that this arrangement will obtain pending a further discussion with a committee representing the crews on matters affecting the substitution of overtime rates of pay for the present time-off arrangement and a revision of the present wage schedules which has already been referred to, and which is now the subject of a survey by the Department of Labour under the provisions of the government's fair wage policy.

Mr. ANGUS MacINNIS (Vancouver East): May I ask the Minister of Transport to clarify the answer he gave to the question asked yesterday by the hon. member for Rosetown-Biggar (Mr. Coldwell)? In the case of an industrial dispute would the notice of strike action be sufficient for the men concerned under section 246 of the Canada Shipping Act?

Mr. MITCHELL: Mr. Speaker, I think I had better answer that question. In the first place let us be frank and honest about this dispute. There was no notice whatever given of the strike. The men just pulled the plug. The hon. member for Vancouver East understands that language; it is an expression used in the labour movement. I am not laying any blame on the labour organization or on the employers, because one must endeavour to be impartial, but if I had been leading the men I think I would have warned them that the seven days' notice was necessary.

BEVERAGE DISPENSERS IN ALBERTA

Mr. C. E. JOHNSTON (Bow River): Mr. Speaker, I am reported at page 1939 of *Hansard* of May 28 as having asked the Minister of Labour this question:

What action has the government or the national war labour board taken to avert the impending strike on May 31 of the beverage dispensers of Alberta?

May 31 should read May 30; and as to-morrow is May 30, the date set for the strike, will the minister make a statement indicating what the government or the national war labour board is doing to avert the strike, which will be on to-morrow unless something is done?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I had conversations with the national organizer of the union concerned, and my information is that he has advised the membership in Alberta not to strike on the 30th. Another submission will be made to the regional board in the province.

Mr. JOHNSTON: The regional board has already given its decision, and I understand that the national war labour board is withholding its decision on the appeal.

LUMBER INDUSTRY—STRIKE IN BRITISH COLUMBIA—FOOD CONTAINERS

Hon. HUMPHREY MITCHELL (Minister of Labour): Hon. members will desire to know the results of the earnest appeal for the resumption of work at once to all those concerned in the dispute in British Columbia which has interrupted the production of wooden food containers.

It will be recalled that the Acting Prime Minister made a statement on Monday last as set out on page 1876 of *Hansard*.

Negotiations on behalf of the owners have been conducted by Mr. J. H. Ruddock, industrial relations officer, Interior British Columbia Lumber and Box Manufacturers Association. His reply is as follows:

Hon. J. L. Ilsley,
Acting Prime Minister

Reference your communication Stuart regarding fruit containers, desire inform you that members Interior Box Manufacturers Association who normally produce all containers used by interior British Columbia growers are now and at all times have been willing continue production necessary containers notwithstanding fact that strike was called on fifteenth instant while provincially appointed conciliator was continuing efforts effect settlement.

Interior Box Manufacturers strongly recommend that instructions be given union to resume work immediately in Interior Box plant and related logging and saw milling operations on basis effective at time of strike and subject only to condition that any settlement of present differences finally arrived at in relation to interior log lumber and box production in interior British Columbia shall then apply. If this is not done immediately, in interest not of lumber or box industry but of agricultural community, there is no doubt that severe box shortage will be created. Interior log lumber and box production is entirely different type of operation from that conducted on coast in relation to which latter negotiations now proceeding before Mr. Justice Sloan. Final settlement in relation to interior operations must depend on separate negotiations in relation thereto and must be on basis mutually satisfactory to box manufacturers and fruit industry in relation to additional costs involved in final settlement. Industry have negotiated in good faith for over eighteen months and, despite arrival on at least two occasions on basis agreement satisfactory to local bargaining committees, union headquarters here on both occasions withheld approval these agreements arrived at in good faith. Furthermore present strike in largest box producing plant in interior British Columbia called in face of valid agreement which that plant has with Canadian Congress of Labour and which agreement has never been terminated either by C.C.L. or I.W.A.

Under all circumstances in fairness to all concerned and particularly to avoid heavy loss to growers we again urge instructions be given for unconditional resumption operations leaving result to legal processes of conciliation and arbitration.

This is the reply received from Mr. Harold Pritchett, president of the International Woodworkers of America:

Retel International Woodworkers of America have no fight with farmers and are in full sympathy with their desire to obtain wood containers necessary to harvest crop. Employers in woodworking industry fully responsible for delay in sincere efforts during nine weeks of negotiations. Woodworking employers have refused to sign an agreement since nineteen forty-four thereby averting present crisis. We are prepared to do everything humanly possible to bring about a just settlement. Urge your government take immediate steps to force lumber operators who stand in the way of crop harvesting to accept union proposals on wages and hours, namely, twenty-five cents and forty hours—

They are asking for an increase of twenty-five cents an hour and for a forty-hour week:

—and abide by award of arbitrator Sloan on union security. Final settlement on wages and hours reached between union and employers could then apply.

Mr. R. V. Stuart, President of Stuart Research Service Limited, who has been acting on behalf of employers on the Pacific coast, has the following to say:

Your telegram requesting resumption of operations in mills and camps supplying materials for food containers. Strike is entirely illegal and operators felt I.W.A. should have ordered men back to work as a preliminary to Sloan hearings. Nevertheless we whole-heartedly agree that needed lumber production should be made immediately available to food producers. Employers concerned will willingly agree to immediate resumption of operations at these plants on basis that workers will be paid at rates finally incorporated in contract now under negotiation.

Hon. members will appreciate from the replies that there are two organizations of employers involved: one consisting of the manufacturers in the interior and the other of the lumber producers on the coast. The wooden containers are produced in the interior.

Mr. Pritchett, on behalf of the union, says that the men will return to work if a twenty-five cents per hour increase is granted and if hours of work are reduced to forty per week subject to a later final settlement. Mr. Ruddock, on the other hand, suggests that the employees return to work at the rates of pay which prevailed at the time the strike took place and that negotiations be continued and settlement of rates be mutually agreed upon as a result of negotiations.

The replies received will be transmitted to the parties and to our conciliation officer at Vancouver, and discussions will be continued with the objective of bringing about immediate resumption of work in the mills which normally are engaged in the production of wooden containers, I am hoping that the good sense and judgment of both parties will bring them to an acceptance of the viewpoint that work should be resumed on the understanding that any wage adjustment finally agreed upon will be made retroactive.

Hon. members will be aware that Honourable Chief Justice Sloan is acting as commissioner and conciliator in connection with the coast lumber dispute and is conducting conferences daily with the parties. At the moment these negotiations are with the group of employers having to do with the coast lumber production, and as soon as this phase of the dispute is disposed of it is the intention that he shall deal with the interior lumber situation. The two problems are so interwoven it is not feasible or practical to have two commissioners sitting at the same time. However, as I have already stated negotiations through the conciliation staff of the province are under way in connection with the interior situation.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

DEPARTMENT OF MINES AND RESOURCES

132. Departmental administration, $173,255.

Item stands.

DEPARTMENT OF PUBLIC WORKS

276. Departmental administration, $206,035.

Item stands.

DEPARTMENT OF AGRICULTURE

Marketing service—

28. Fruit, vegetables and maple products and honey, including grant of $5,000 to Canadian horticultural council, $683,764.

Mr. FRASER: I understand that the minister's department had sent out a circular regarding "Save the Food". Was that done by his department, or was that the work of another department?

Hon. J. G. GARDINER (Minister of Agriculture): "Save the Food" circulars and advertisements have gone out under direction of a committee of which I happen to be chairman, but not by the Department of Agriculture. The committee is operating with funds provided for the purpose, altogether apart from these estimates.

Mr. FRASER: In one of the folders it is stated that victory gardens should be cul-

tivated in order to grow food for Canadians, and that by doing so more food could be sent overseas. The folder also states that a copy of "Home Garden" will be sent to anyone writing for it. To what department does one write? I have been in contact with the minister's department and they do not know anything about it.

Mr. GARDINER: It is published under direction of the agricultural supplies board, which was set up during war time to promote the production of food. The chairman is Mr. Shaw.

Mr. FRASER: Should inquiries be directed to the department, or to the supplies board?

Mr. GARDINER: Whichever place they are directed to, they should get a proper reply, and the proper reply is that there is such a publication, and it ought to be sent out.

Mr. FRASER: In the literature sent out there is reference to this "Home Garden"; I have communicated with the department and I have had three or four other circulars, but no copy of "Home Garden". In the circular which was sent out, victory gardens are mentioned. I suggest to the minister, as head of that committee, that he get in touch with every horticultural society across Canada and ask them to put before their members the views set forth in the folder. There are thousands and thousands of horticultural society members across Canada, and unless they are personally communicated with, the desired results will not be obtained.

Mr. GARDINER: I understood they were being communicated with. That was the plan which was put forward.

Mr. FRASER: I do not think that they have been so far.

Mr. WHITE (Middlesex East): Last evening we were discussing item 28, dealing with products with which I am somewhat familiar. The minister said that last year the production of honey was 30,683,000 pounds. That would go a long way to helping to meet the sugar shortage. While the low average yield last year decreased the production somewhat, we still have a production in the dominion of some thirty million pounds of honey. We have in the dominion a national honey council which is supported by the primary producers of honey, and it is a credit to the industry that they have not asked for government aid. They are securing funds by a levy of a small fraction of a cent per pound on the production of each individual. The position of this industry, in comparison with other branches of agriculture, is favourable, because of the fact that while dairy products and many other commodities are supported by subsidies, this does not apply to honey. Therefore we do not look to the future with the misgiving that many farmers have as they see the day approaching when subsidies may be removed. We can see the position the milk producers were in when the subsidy was removed; immediately the consumers in the city were demanding that it be replaced. We are in a relatively favourable position because of that fact. We are in need of better domestic grading, but we do not wish the regulations to work to the advantage of central packers and to the detriment of the primary producer.

Many products which the farmers sell are graded, but after they leave the farmers' hands they lose their identity, because the grade is not carried on to the ultimate consumer. This applies particularly to pork. There are several grades when the farmer sells it, but it is all number one when the consumer buys it. The honey producers are keenly interested in having the control of the industry remain with the producers. We do not want it to get into the hands of any government agency or any selling agency of the government. The producers feel that they can manage their own affairs if given proper opportunities. We are in a peculiar position at the moment. The beekeepers of the country are prepared to sell their honey on the export market in Britain. For many years we exported our product to Britain, and we have letters showing that the buyers there are willing to buy our product, but the regulations on that side were such that they could not buy or could pay only so much. I am personally willing, and so are many others, to sell to buyers in the old country, but the control regulations here have in the past prevented us from doing so. Two governments, therefore, interfere in the business. Britain at the moment is offering only 65 shillings per hundredweight f.o.b. British ports. That, boiled down, comes to about 12¾ cents, and taking shipping charges off it does not come up to the domestic price at the moment. However, we believe that the day is coming when we shall again export honey to England. The industry wants domestic grading so that consumers can purchase by grade and know what they are buying. We have grading regulations for export and interprovincially, but that does not apply within the individual province. We do not want to have the industry controlled by government authorities who are anxious and willing to tell us what we should do and how to do it. We ask to have the industry left as independent as possible of government control.

Mr. BRYCE: Mr. Chairman, may I revert to item 26? I know it is against the rules, but I would ask you to extend me the privilege. I am not going to go into the matter at all, but I have received certain material with regard to the price of butter being reduced two cents a pound on the Montreal market. To keep my word to you, Mr. Chairman, I will send this material over to the Minister of Agriculture and he can discuss the matter some time this afternoon.

Mr. GARDINER: As a matter of fact I have already dealt with it. I have started action in connection with it which I hope will meet the situation.

Mr. BRYCE: I am delighted to hear that, because it is a very disagreeable situation to the people producing butter to have the commodity being sold at two cents a pound less after the price has been raised four cents. The thing is altogether out of kilter, unless someone is gambling in butter; and as I have said in this house on previous occasions, there is no room for anybody to gamble in this country with the people's food which the farmers produce. I feel very strongly when I see people gambling with butter.

Mr. GARDINER: With reference to the matter raised by the hon. gentleman, there was a certain proposal under consideration a short time ago in connection with butter. One of the difficulties, when we are controlling the distribution of butter, is that the commodity has to be assembled in May, June, July and August and a certain amount in September. Those are the months in which we have a greater production than consumption, and someone has to carry the butter through until the winter months. Under the price ceilings and price floors a margin of four cents has been allowed, and at the time the four-cent advance was made in the ceiling there was a question whether we were raising the floor sufficiently high when we made that advance. While that matter was under discussion butter was selling at a certain price, and immediately the discussion was dropped butter did go down. It might have been two cents at one point, a cent and a half somewhere else, and two and a half cents in some other place. Immediately that was reported to me by one of the members of the house I opened up discussions again as to whether we should have a narrow margin between the floor and the ceiling, and that question is under consideration at the moment. If we narrow the margin it will have some effect on the present situation.

Mr. HERRIDGE: I wish to associate myself with the remarks of two hon. members who have spoken with reference to the importation of maraschino cherries, because this question is a very serious one in my section of the country in view of the little cherry disease. These cherries have a low sugar content and are smaller in size; consequently a large proportion of our cherries will have to be processed until the disease is cured or eradicated. The minister says he is not a protectionist. I am not either. I am a free trader in principle, though I do not think you can have free trade when you have not equalized standards of living. I was brought up on principles that incline me to free trade. I suggest to the minister however that representatives of the industry concerned should be consulted, and there may be some possibility of cooperative action between the government and the interested growers. In British Columbia we have developed to a considerable extent methods whereby stronger or more favourably situated sections of the cooperative movement assist those who are operating under less favourable conditions. Perhaps a solution could be found through action cooperatively by the government and the growers on the basis of carrying to some extent the other fellow's burden.

Mr. LENNARD: Further in connection with what the hon. member for Kootenay West has just said, and in connection with what was said last evening in this regard, I might draw the minister's attention to the fact that, as I stated last night, there is a duty of something in the neighbourhood of 10 cents a pound on these Italian cherries going into the United States, while here we have only a protective duty of 17½ per cent ad valorem. If we had a fixed value on these cherries of 11 cents per pound, and the duty which is now 17½ per cent were raised to 30 per cent—

Mr. GARDINER: The duty now is 30 per cent.

Mr. LENNARD: Since when?

Mr. GARDINER: Last evening I said it was 15 or 17 per cent, but the official statement this morning is that already it is 30 per cent.

Mr. LENNARD: Very well; even if it is 30 per cent, that amounts to only 3·3 cents per pound on these cherries as against something like 10 cents a pound on the same cherries entering the United States from Italy. The minister said he did not know what could be done, and that quite possibly he would not know until some time in the summer, when a meeting on trade agreements is to take place. It will be too late then, because at the moment the processors are in a quandary in regard to the price they should pay the

growers. Last year the growers received something like 18 cents a pound for the cherries used in this process.

Mr. GARDINER: The information with which I am supplied is that pitted first quality Italian cherries in brine are being quoted at from 18 to 19 cents a pound c.i.f. United States funds, that is on the American continent whether in the United States or Canada. The Canadian duty is 35 per cent, while the United States duty it 17½ per cent. In other words the Canadian duty is already twice the duty in the United States.

Mr. LOCKHART: The minister has no knowledge of when that went into effect?

Mr. GARDINER: I have no information as to when it went into effect; apparently that has been the situation for some time. In addition to the 35 per cent duty there is a 3 per cent excise tax, plus exchange, which builds it up to 48½ per cent over the c.i.f. quotation. Second quality cherries are two cents less. I understand that eastern Canadian manufacturers of maraschino and glazed cherries have a fair supply of British Columbia and Ontario cherries from the 1945 crop because of restricted supplies of sugars and syrup. I understand also that Italian cherries are being manufactured in France and the finished product is appearing in Canada at relatively high prices, mainly because the restricted Canadian output does not meet the demand. That restriction, I understand from this statement, is due to the sugar shortage and not to regulations under the tariff or anything of that kind.

Mr. STIRLING: Is it not a fact that there is a very considerable quantity of cherries of this description in Italy from the 1944 and 1945 crops waiting to come into Canada, if it can get in? If that is hanging over the market here, and the Canadian processors are now in a position, as I understand they are, to supply the bakery trade in Canada, will that not to a very great extent wipe out the processed cherry industry in this country?

Mr. GARDINER: Of course the question of import permits is involved, and these would have to be obtained from the wartime prices and trade board. But I should like to suggest to the committee that we are dealing with a product which has no food value whatever. It is a product used for decorating cakes and cocktails, as I understand it, and it would seem to me that a duty of 35 per cent is very high. I can hardly understand why anyone would advocate increasing it beyond that, particularly in view of the argument put forward last night that our protection ought to be as high as that of the United States, while in fact our protection appears to be twice as high. That is the information I have from the department concerned, and if that is the situation I do not know that we should discuss the matter very much further, particularly when we are dealing with these two countries, Italy which was an enemy country, and France which was a friendly country. These cherries apparently are being processed in France, if any processing is being done, and then sent here. They have always sent those cherries here. I remember before the war meeting one of their agents who used to go across the country. It is a product in which we have traded over a very considerable period of time; and at this moment, when an effort is being made to remove all these obstructions, I should think we have gone a long way in putting a duty as high as 35 per cent on a product of the kind.

Mr. STIRLING: Thirty-five per cent may sound a large figure in arithmetic, but when you take 35 per cent of a minute price it does not amount to very much in the way of protection. I understand that these cherries are held in Italy at 11 cents, Canadian funds. That is a mere bagatelle to the producers of cherries in this country. The minister says this product is used in cocktails and in the decoration of cakes. I dare say it is used for those purposes, but it is also used as an ingredient in various forms of cakes and sweetmeats. It is not a matter of food, perhaps, but it is a matter of Canadian demand. The bakery trade of Canada has made this demand on the producers of this country over all these years, and during the war years, consequent on the requirements of the bakery trade, the processors of cherries in this country not only improved their quality but very greatly increased their quantity, and succeeded in meeting the demands of the Canadian market. Now if the Canadian market is still going to demand the same quantity of cherries—and the demand is more likely to increase than decrease—it does seem an unreasonable thing, no matter what Italy's part in the war may have been, to allow into the country an extremely low-priced article, with the price further cut by the rate of exchange as between the lira and the dollar to such an extent that it will harm an industry built up during the war to supply a demand in the Canadian market.

Mr. GARDINER: The prices which have been paid by processors to producers for Canadian cherries during the war years were as follows:

	Cents per pound
1939	4·20
1940	6·24
1941	7·95
1942	8·0
1943	12·03
1944	13·46
1945	16·32

My information is that these cherries laid down on the American continent, irrespective of what they may be in Italy or elsewhere, cost from 18 to 19 cents. If you add all the other costs, including the duty, the excise and the exchange, that is increased by 48½ per cent, which makes the laid down cost of these outside cherries 26 or 27 cents a pound. In other words the processor here is purchasing these cherries at 16·32 cents per pound and the price of the imported cherries is 26 to 27 cents. Surely there should be sufficient margin there for the Canadian processor to handle the situation. But from the statement I have been given I understand the problem is that there is not sufficient sugar allowed to process all the cherries that might be used in Canada, and as a result other manufactured cherries do come in, even at a high price. They are being utilized for a special purpose. Anyone understands that when you have a cocktail party you do not worry much about the cost of the one cherry. Other things can be dealt with accordingly. So that that is not so much a factor, as the fact they want the cherry.

Mr. MacNICOL: They want the cocktail.

Mr. GARDINER: They are short, not because the producer is short on production, but because there is not enough sugar to carry out the curing process. But that is another question which, I suggest, should be discussed separately from this matter. If they should have more sugar, then that is a different problem.

Mr. LOCKHART: Is there anything in the schedule covering the dumping duty?

Mr. GARDINER: No; on checking last night I found, as was suggested by some hon. member on the opposite side of the house, that the dumping duty regulations were taken off during the war, and have not been re-established.

Mr. LOCKHART: There is nothing in there now?

Mr. GARDINER: No, there is no way to stop dumping at the present time.

Mr. LOCKHART: When did these higher rates of protection go into effect? I am anxious to find out, because I cannot find anything which would lead me to believe that there was anything more than 17½ per cent ad valorem, with no dumping duty. And that information was obtained a short time ago.

Mr. GARDINER: The minister responsible for that matter came down a minute ago and handed me a slip of paper indicating that there is no dumping duty, and that there is a higher duty in Canada than in the United States. My own officials, during the time since we rose last evening, have got certain information on the point, and I have just put it on the record. It was obtained directly from the customs branch, and I assume it is correct. But the date as to when it was brought in was not indicated.

Mr. MacNICOL: I have only a word to say with respect to this $5,000 vote for the Canadian horticultural council. Perhaps the minister would tell us the relationship between this council and the Ontario horticultural council or the Toronto horticultural society, and all down through the various branches.

There is one such branch, known as the St. Clair horticultural association which operates in my part of Toronto. In their respective spheres these local organizations do first-class work. I often feel that what they do is not appreciated either by the public or by the authorities as much as it should be. In my view some practical way should be found to recognize the work of all these horticultural councils, societies and associations throughout the country because, in their way, they do much to brighten the lives of each and everyone of us. Their work is carried on in the parks, on the street corners, in the vacant lots, the gardens and the lawns.

In my end of the city of Toronto the St. Clair horticultural association gives a number of prizes, including silver cups, to those who have the best showing or stands of flowers in their gardens or in front of their residences. I can say that my section of the city is recognized by visitors for its beauty, resulting from the activity of this horticultural association.

Is there any connection between the Canadian horticultural council, which receives this small vote, and these other bodies down the line? What is done with the vote?

Mr. GARDINER: The Canadian horticultural council has only indirect relationship with other organizations. Of course, it is the section which deals with ornamental displays which promotes the growing of flowers.

The organization mentioned in this vote takes into consideration all matters having to do with orchards, gardens and the growing of

flowers. It has direct connection with provincial organizations across Canada. This grant was first allowed in 1922, when the late Hon. Mr. Motherwell was minister of agriculture, and was done for the purpose of promoting greater activity and showing a national interest in the work of the national council. Apart from that, we have no direct relationship with them. They are an organization which we believe ought to be assisted to the extent of $5,000.

Mr. DIEFENBAKER: I should like to say a few words about the growing of sugar beets. Last fall a request was made by the minister that he hoped there would be a material increase in the production of sugar beets in Canada. My recollection is that the request by the Department of Agriculture was for a 50 per cent increase this year.

The same condition of affairs prevailed in the United States. Only recently the United States secretary of agriculture, Mr. Clinton P. Anderson said that sugar is one of America's greatest food needs for 1946, and that farmers could do no greater service to their country this year than to plant a full acreage of sugar beets.

Generally in Alberta—and I shall not deal with that specifically—in Manitoba, and also in Ontario there has been a material increase in the sugar beet acreage this year. In the United States the request was for an increase of 31 per cent. In this country there would be a much greater increase were it not for the difficulty mentioned the other night by the minister, when he pointed out that from the point of view of agriculture one of the greatest deterrents to production in Canada is the lack of necessary man-power.

In the United States, with a view to the encouragement of this necessary industry, and having regard to the requirements and shortages in production, they gave benefit payments last year averaging $5.50 a ton, and this year the amount has been increased to $6.50 a ton. The Canadian government has cancelled the one cent per pound tax on sugar, and has made provision for a subsidy of 60.75 cents per hundredweight on refined sugar, without any increase in the consumer price.

This matter was brought to my attention recently while I was in western Ontario. Following that, I asked a number of questions, which were answered by the Minister of Labour. As I say, I am not speaking about Manitoba or Alberta because, while we appreciate their problems, there are other hon. members who will speak for them. The aim in western Ontario this year was 35,000 acres.

[Mr. Gardiner.]

Last year the acreage under crop was 17,400 and this year the acreage signed up so far is 26,500 with a prospect of an additional 3,000 or 4,000 acres if labour is made available. I am advised that if labour is made available between now and June 15 this additional acreage, namely some 3,500 acres, will be put into crop. That would make the total for this year about 30,000 acres, which would be quite an advance over the figures for last year.

Sugar is a commodity very much in demand in this country. Last year the sugar beet factories of the United States produced 22 per cent of their domestic requirement, while in Canada the production was approximately 15 per cent. Knowing that the Minister of Agriculture gets whatever he goes after, and knowing also that he asked the farmers of this country materially to increase the production of sugar beets this year, I am going to ask him what he is endeavouring to do and will endeavour to do within the next ten days to assure that maximum production.

Last year prisoners of war were made available in larger numbers than they have been this year. Some 890 were made available as a travelling squad in the five counties of south-western Ontario, and an additional 200 were quartered at various points. This year the number made available up to the day before yesterday is only 480, a number totally insufficient to meet the demands.

There are some who will say that man-power should be available because so many are out of work and receiving unemployment insurance benefits. That may be true, but the fact is that a person receiving unemployment benefits is required to accept only what is called suitable employment. There are very few who regard work in sugar beet fields as suitable alternative employment. It has been brought to my attention that not only is there a possibility that the 26,000 acres will not be increased, but that if labour is not made available immediately there may be a considerable reduction in this acreage.

Is the minister prepared to state the general course he intends to follow and whether he will again direct the attention of the Minister of Labour to this matter? I feel sure he is desirous of having action on this matter. I bring it up at this time because I know that unless action is taken this desirable commodity will be in greater short supply during the present year than it was in 1945, and certainly there will be no approach to the target which the minister set last year for production during the current year.

Mr. ROSS (Souris): I should like to add a word on behalf of the Manitoba sugar beet

producers. I received a wire somewhat along the lines of what the hon. member for Lake Centre has said. This wire reads:

Manitoba beet growers have nearly sixteen thousand acres sugar beets seeded of which eight thousand dependent on outside labour. Labour department was informed continuously and requested early this spring to provide if no other agricultural labour available two thousand prisoners of war. We now understand that only seven to nine hundred POW's allocated Manitoba although there are enough POW's left in Canada to supply balance of thirteen hundred. All our direct and sugar company's efforts so far unsuccessful. Please approach Messrs. Mitchell and MacNamara or raise question in the house without delay drawing attention to gravity situation and fact that negative attitude may mean loss of five thousand acres or fifty thousand tons beets or twelve million five hundred thousand pounds sugar unless additional beet labour required is forthcoming immediately. Herbert Sulkers, president, Manitoba Sugar Beet Products Cooperative Association.

This matter has been brought to the attention of the Minister of Labour and, as the hon. member for Lake Centre has so well pointed out, it is most important that it be considered at this season of the year if we are to have the necessary sugar beet production.

Mr. GARDINER: It would not be proper for me to make the announcement which I know will be made shortly with regard to this matter, but I think I can satisfy members of the committee by saying that the question of whether prisoners of war should be retained for work in the sugar beet fields has been under discussion for some time. The consensus is that an effort should be made to have these men returned to Europe as soon as possible and it may be possible to move some of them before the work would be completed in the sugar beet fields. Without saying just how it is to be done, I should like to give the assurance to hon. members that the government has considered the matter. While the order has not yet been officially passed by the government and therefore it would not be proper for me to say what is in it—the Minister of Labour will say that himself—I think I can say that provision is being made which will be satisfactory to the people of Canada generally to have men of the highest type brought here to replace prisoners of war who are being removed. These men will be brought here in as large numbers as prisoners of war are removed, and possibly in greater numbers.

We have had some concern about the matter which has just been stated by the hon. member for Lake Centre, that is, that there are many people in this country who do not like to hoe sugar beets. As one who hoed sugar beets when younger, I can understand why some people do not like to do that work. I have had to do a lot of things, including answering some questions put by the opposition, that I did not like to do. It does not make much difference what your employment is or in what walk of life you may be, you are generally required to do some things you do not like to do.

If we are to have sugar beets grown in Canada we shall have to find Canadians who are willing to hoe sugar beets, at least until we find some other way of having them hoed. If we can work out some machinery, well and good, but in the meantime they must be hoed. I hope when the announcement is made as to who these men are, where they are coming from and how they are getting here everyone will be ready to say that they are just as good as the prisoners of war and will make much better permanent settlers in Canada.

Mr. DESMOND: I should like to add a word to what has been said by the hon. member for Lake Centre and the hon. member for Souris. One thing strikes me as being significant. During the past six years we have been labouring under a misapprehension that sugar beets have not been available because labour was not available. There was a question on the order paper yesterday asking the Minister of Labour what help was available to harvest and market sugar beets. It is not just the hoeing. We are in a mechanized age and mechanized equipment will shortly be available. But is it economically sound to produce sugar beets in Canada? What is the government's policy in that regard? Are we to produce sugar beets in Canada or are we to import cane to supply our plants in Quebec, Ontario, Manitoba and Alberta? Would the minister state what the government's policy will be and whether he thinks we can produce beets economically in Canada?

Mr. GARDINER: I do not know that I should attempt to state government policy, because I doubt very much if anyone could at this stage indicate what government policy will be in connection with the production of sugar beets for some considerable time. We may have a better idea in two or three years. But I would say that most of the sugar beets produced in the last twenty-five years, no matter where they were produced, were not produced under plans which were economically sound, and they were not intended to be. The production of sugar beets was encouraged in many countries as a preparation for what was known to be coming, a war during which they would not be able to get sugar from the countries where it could be produced on an

economically sound basis. Many things were done to encourage the production of sugar beets, not so much in this country as elsewhere. I am sure that my hon. friend will remember that when the leader of the preceding government desired to join in that effort he met with opposition all over this country. He put a tax on sugar entering Canada, and I went about this country as one of his opponents ridiculing that policy.

Mr. BLACKMORE: Very unwisely.

Mr. GARDINER: My hon. friend over here says, "very unwisely." But the potato growers in eastern Canada did not think so. They lost their potato market because of what Canada did then in regard to sugar. When we start out to do what is not economically sound because of some situation which exists for the time being in the world, there is no use in fooling ourselves into thinking we are doing something economically sound. We might have been doing something which was in the national interest for the time being, just as other countries did.

I stated last session, and I am going to repeat it, that I recall being down at the graduation exercises at Macdonald college last year. I met three or four chaps there from the West Indies and the northern part of South America. I made it a point to talk with them and find out why they were there, and they told me that they were officials of the governments of the countries from which they came. They were there to get a special line of education, and that special line of education was to learn how to introduce dairy farming into the countries from which they came. I asked why they wanted to do that and they said "Because we are being driven out of our natural pursuit, which is the growing of sugar, by countries like Britain, which is our natural market, subsidizing the growing of sugar beets in their own country so that they may have sugar in time of war." Other countries to which they had been selling their sugar were doing the same thing and they went on to say, "You are doing it in Canada." They said that if they were not permitted to market sugar—which was the natural product for their countries to grow—in countries which formed their natural market, they would have to produce dairy products even if it cost a great deal to do so.

We have now fought the war, and if we are to improve the standard of living of mankind and prevent war I am one of those who think an effort should be made to bring about natural production and exchange. Someone over here said that he was in favour of free trade but that until all countries of the world could live on the same standards he would not advocate free trade. I will put it the other way and say that until we get free trade we shall not all be able to live on the same standards. The people who are absolutely dependent upon the production of sugar for their existence have just as much right to expect that we shall eat their sugar as we have to expect other people to eat our potatoes, wheat and dairy products upon which our farmers are absolutely dependent.

Mr. HAZEN: And fish.

Mr. GARDINER: And fish and any other natural product we have, and we must promote that idea. I will say quite candidly that so far as I am concerned I have never at any time urged anyone to grow sugar beets. Last fall we did put out a recommendation from the conference which was attended by the provincial governments, this government and farm organizations, to the effect that if the farmers increased their sugar beet acreage from 60,000 acres to 90,000 acres in 1946, they would be able to dispose of all the sugar beets they grew on that acreage. The acreage proposed in the preceding year was 60,000 acres and that was increased by 50 per cent to 90,000 acres. But I do not recall anyone associated with the federal government urging the farmers to increase their sugar beet acreage. It was simply stated that if they grew sugar beets on that increased acreage they would be able to dispose of all they grew in 1946. But we have not been urging people to grow sugar beets. Some provincial governments have done so, and I am not going to criticize them for that. Manitoba put up $600,000 for the building of a plant; the government of Ontario did something to encourage the growing of sugar beets; the government of Quebec bought a plant in Michigan and moved it over to Quebec province. I am not in a position to say what Alberta did to encourage production there. It was quite proper for these provincial governments to do that if they felt that by so doing they could promote a branch of agriculture in their province to their advantage. But we are concerned with the larger question, whether we should step out and encourage the production of something which, if it is to be produced in this country at all, must be protected very highly, and if it is protected very highly it will take away a market in this country from other countries where we must market some of our products, if we are to market them at all, particularly potatoes grown in the maritime provinces.

Mr. DESMOND: Does the minister think it would jeopardize our trade relations with any other country if we entered into a larger production of sugar in Canada?

Mr. GARDINER: You should know the answer. You felt the effects of it some years ago.

Mr. DESMOND: Quite so. That is why I am asking the question.

Mr. BLACKMORE: Before this item carries, Mr. Chairman, I think it is fitting that I should say a word or two. I may state here why I have said so little in the last three or four years regarding the beet sugar industry. I believe the last time I spoke at length in this chamber on the matter was on April 3, 1941. The occasion of my speaking at that time was that some body or some combination of interests in Canada had ordered that 1,300 acres of sugar beets should be taken out of production in Alberta. When hon. members reflect upon the shortage of sugar under which this country has suffered since that time, everyone in this house must, I believe, be almost astounded that there should have been in the dominion in the year 1941 any man or combination of men so egregiously stupid as to make a move of that sort; yet that was done. The speech I gave in April, 1941, was to point out the grave seriousness of such a foolhardy move; and I am pleased to say that for some reason or another the 1,300 acres of sugar beets were permitted to be grown that year.

I have not said anything to speak of regarding the sugar beet industry since that time, for this reason, that in Alberta, in my constituency, we have two beet sugar factories, namely one at Raymond and one at Picture Butte, which between them have a substantial beet sugar producing capacity. These two beet sugar factories together with the factory in Manitoba are said to be able to produce all the sugar which the three prairie provinces could absorb. On that matter I am not competent to pronounce, because I do not know sufficient of the details; but it is ordinarily argued that it would not be wise that beet sugar should be taken into British Columbia, because already provision is made through the cane establishments in Vancouver to take care of all the needs of that province with regard to sugar.

The idea seems to prevail throughout Canada, or at least in some parts of Canada, that it would not be economically sound to bring sugar from Alberta or British Columbia into Ontario or Quebec, although I believe nearly everybody in Ontario and Quebec would be quite willing to have Alberta sugar now in order to avoid the shortage. Because of that condition it was deemed inadvisable by a good many of the people in the beet producing business in Alberta to advocate an increase of our productive capacity for beet sugar at the present time. Consequently I have not said very much about the matter in the house. But I rise on this occasion to say a few words regarding the beet sugar industry.

The Minister of Agriculture and I are, of course, altogether different in our experiences, and we are different with respect to the places from which we come, as well as the responsibilities which rest upon us. He is in the government; I am not. But I am going to express just as frankly my opinion in opposition to what the minister said as he expressed his opinion in favour of his views. It is going to be done, I know, with the very best of feelings.

In the first place, with respect to the increase in the production of sugar in Canada, to give hon. members an idea of how near the beet sugar industry can come to competing with the cane sugar industry, may I point out that in 1937, sugar was sold by the Canadian Sugar Factories from the Raymond and Picture Butte sugar factories wholesale for a trifle over four cents a pound. I doubt very much whether people generally throughout Canada would feel aggrieved if they could always get sugar at four cents a pound. In that year a sufficiently substantial profit was made by the Canadian sugar factories and the growers of beet even at four cents a pound wholesale. I believe that alone is sufficient to show that the beet sugar industry is fully capable of standing up under ordinary economic conditions and making a magnificent showing.

Mr. GARDINER: If that is true I am in favour of it.

Mr. BLACKMORE: Well, then, the minister and I are in complete agreement.

Mr. JOHNSTON: What was the price of cane sugar at that time?

Mr. BLACKMORE: I did not come prepared to talk along this line, and I do not think it would be wise for me to speak from memory, because people might take seriously what I say and I do not want to let anybody get any wrong ideas; what I do say I want to say with perfect assurance that all I am stating is correct.

With respect to the future of the beet growing industry of Canada, I think the first thing we have to do since the minister very kindly said what he did, and thereby raised himself greatly in my estimation, is to recognize that

the future is all in favour of cheaper production of sugar beets. I do not wish to detain the committee too long, but I believe everybody here, including the minister, will be greatly interested in this little account of what is being done in the way of developing machines to do the hand work with respect to sugar beets.

Thus far indications are that there will be machines to do every kind of field work in connection with sugar beets and to do it exceedingly well. I am referring to an article, "Notes on Sugar Beet Machinery", which appears in the annual report of the Alberta sugar beet growers for 1945. The article is by Mr. A. E. Palmer, officer-in-charge of the dominion experimental station, Lethbridge, Alberta. Mr. Palmer has been doing a great deal of the work of taking care of that experimental farm for a good many years under Doctor Fairfield, and is now in charge; he is a man thoroughly qualified with respect to everything pertaining to sugar beets. In this article he points out that beet harvesting is almost completely conquered by machines. He refers to the various machine companies which have thus far produced sugar beet harvesters successfully: the John Deere, International Harvester, Marbeet Harvester, Hydrographic harvester, the Ford-Ferguson harvester, and the Scott-Urschel harvester. That is a sufficiently imposing list to show the committee that there are plenty of brains working on the problem, and the success so far has been so great that Mr. Palmer, discussing the American crystal spike wheel harvester, which is another type again, uses these words:

> It is estimated that the cost of harvesting mechanically will not exceed half of the cost of harvesting by hand and this estimate has been substantiated by careful tests. Furthermore, both the John Deere and International toppers have been found to top slightly more efficiently than experienced hand toppers.

This fact must be reassuring to all hon. members who were wondering whether or not it would be possible to get a machine which would perform the intricate and difficult task of lifting beets and topping them.

There is another kind of hand labour which is very hard: that is the loading of the beets after they are topped. There is a loader which works very successfully. Mr. Palmer says of loaders:

> Incidentally mechancial loading is rapidly replacing hand loading in the Alberta territory where the Robin loader machine, manufactured in Calgary, and similar in design to the Rassmann, is the principal machine used.

Thus the next of the back-breaking difficult hand-labour jobs has been conquered. They have already completely conquered the task of unloading the beets. Beet growers use a truck with an adjustable box on it. After the truck is loaded they run it to a big piler right by the factory pile, and they loosen a catch and put a chain over the box and dump the whole box at once into the hopper of the piler. The piler does all the rest, elevating the beets just as high as is necessary—nearly to the height of this chamber—and doing it very successfully.

The next back-breaking job is thinning and blocking. Those who are familiar with the culture of beets know that these processes have to be performed. Science has segmented the seed and has developed a precision planter with which farmers are able to plant the segments of seed one right after the other in a row, thus obtaining a very fine stand, without having two beets beside each other. The beets follow one another in a series. That has already been accomplished and they are using the machine with great success right now. A few more inventions will perfect it.

As to the question of blocking, there is a mechanical blocker which has attained great success. Mr. Palmer has the following to say at the close of his article:

> However, it is the opinion of the people interviewed that at the present time segmented seed, development and planting knowledge have progressed to the point where it should be possible soon to eliminate most of the hand labour of thinning should the labour situation become acute. It is possible that this would reduce yields slightly but not seriously and under good conditions of germination it is felt that there should be no loss.

That removes present anxiety in relation to labour for beet culture. May I now turn to the question of trade, to which the minister referred. I was somewhat disturbed when he started on that line, because that is the line that was used against me back in 1936, 1937 and 1938. They said it would destroy our trade. I have not under my hand, but I can get it in ten minutes from my room, material to show that all the talk about the loss of our potato market in the maritimes is nothing but legend, purely a myth. I have an article that shows how dependable is what I have to say in this regard. It is a scientifically written article by Mr. Ralph Bell of the Acadia Sugar Refinery, who is well known to the hon. member for Cumberland (Mr. Black). Mr. Bell played an extremely important part in the war effort and is respected throughout Canada for his business acumen, his ability, his executive skill, his dependability as a reasoner, and his readiness to face facts. Mr. Bell shows conclusively that the extent of the loss which Canada would sustain by producing her sugar and omitting to buy sugar from Cuba and from other sugar producing areas would be completely negligible.

I know that the answer will be given, he is wrong. Well, I leave it in the hands of Mr. Bell, but I may tell the committee that I can bring down the information if it is desired. The article appeared in the Halifax *Herald* in 1938. It is an extensive article and it completely solves the question. We would not lose the potato market in any serious degree at all.

The idea which is conveyed, or which it is attempted to convey, is that the Cuban people will buy our potatoes if we buy their sugar, and they will buy our saltfish if we buy their sugar.

Mr. GARDINER: I suggest that if those are the facts—and I am not questioning what the hon. gentleman says—then there is nothing for us to argue about. What I wonder at, however, is this. If those are the facts, why should anyone come and ask us to do any more so that they can grow sugar beets? I assume that if people can grow sugar beets in this country, to their own advantage and the advantage of Canada, there is nothing that any government is doing that would stop them. They can go ahead and grow sugar beets if they like. It is only when they come and say that they cannot grow sugar beets in competition with someone else and therefore must have some assistance from the government that we become at all involved. We are prepared to promote in every way possible, obtaining labour and doing everything else we can, the growing of beets or anything that can be satisfactorily marketed from this country, or marketed in the country, and if sugar beets can be grown here and the product marketed at a lower cost than the commodity coming from outside and marketed here, then there is no difference between us.

Mr. BLACKMORE: I would not say that sugar can be manufactured more cheaply here than it can be brought in from outside, from the cane-growing areas, because no one can ever tell what the cane sugar price is going to be. When it is brought in from cane-growing areas it comes from places where sometimes the standard of living may compel poor people to work in plantations under conditions that are a scandal and a disgrace. Sometimes great quantities of sugar come into the possession of certain people in such areas as Santo Domingo, Cuba and Jamaica, under conditions which make them ready practically to give the sugar away.

Mr. GARDINER: It has been so in the past. I quite agree with that. One of the reasons why we have had a low price for sugar, as well as for some other commodities, in years gone by, is the way in which labour has been treated in those areas. In recent months I have had the privilege of sitting in at conferences where there have been representatives from all those countries that we are talking about. After listening to those people, who are leaders in those countries, I have grave doubts whether anyone from now on will be able to treat those people as they have been treated in the past by some people, and that in itself may be a partial solution of the problem we are discussing. I hope that the people who produce sugar there will be living on a standard comparable with our own, and that the people producing some other commodities which we require will enjoy a similar standard. If such a condition prevails in those areas, then the situation which is being described at the moment may develop under which we may grow sugar beets in this country to the advantage of all and sell our product advantageously. I do not think there is any question, no matter what the result finally was, that a considerable number of farmers in the maritimes did lose the potato market for a time in the West Indies and elsewhere because of what we did in connection with sugar. Whether there could have been some way around that situation is another question. At that time they did lose the market, and we have had great difficulty, in the ten years I have been here, in getting it back.

Mr. BLACKMORE: I think it must be granted that the maritimes did lose their potato market, but the reason was not that we did not buy our sugar from Cuba, because the amount of sugar we Canadians were producing from beets was so small as to have a negligible effect on Cuba's ability to absorb our potato crop.

Mr. GARDINER: But the effort made at that time was greatly to increase it. It did not increase it, because there was an election within a few weeks and the result of the election was to change the policy in this country. If the policy which was then put into effect, and which did spoil our potato market, had been carried on, I do not think there is any doubt that sugar beet growing in Canada would have increased and they would have had greater difficulty getting their sugar into this country. That was the intention, whatever happened.

Mr. BLACKMORE: First of all, may I point out the reasons why our maritime producers lost their potato market? As I recall it, Cuba was unable to sell the quantity of goods she normally would sell, because of the de-

pression. Naturally she was unable to buy our potatoes and our salt fish, because she was unable to sell her products.

Mr. GARDINER: As far as Cuba is concerned a depression means inability to sell sugar.

Mr. BLACKMORE: That is right; and the difficulty was also Cuba's inability to buy our potatoes. Hon. members from the maritimes will correct me if I do not recall this matter exactly. I was not expecting to discuss it and have not gone over it for years, but, as I remember it, Cuba used to buy potatoes in the maritimes and raise new potatoes to sell to the New England market.

Mr. GARDINER: That was seed potatoes.

Mr. BLACKMORE: That is right; they would buy our seed potatoes in the maritimes and then sell new potatoes to the New England market. Anything that prevented them from selling those potatoes naturally would prevent them from buying our seed potatoes and salt fish. Certainly, if Canada were producing her own sugar, so that she did not need to buy sugar from Cuba, that fact should have been in evidence; but at the time when there was a change of government in Canada there was only one sugar factory in southern Alberta. So that the cause of the falling off of the Cuban market for both seed potatoes and salt fish was not sugar; it was entirely something else, and the matter should be explained in that way. I believe, however, that is only a minor point.

I wish now to say a word in reference to what the minister said. The minister said if we could produce sugar so that we could withstand outside competition, then there would be no further cause for worry. This afternoon hon. members have risen in their places in this house and urged that greater protection be given the cherry producers. While we can produce cherries in Canada with great success, we cannot say that we can successfully compete with certain cherry growing areas in the United States. We cannot grow small fruits in competition with those areas, one reason being that their crop matures two or three weeks earlier than ours. They can dump their fruit in here and fill our cellars completely before our fruit matures. Consequently we simply must have protection against their fruit, and must have an anti-dumping duty.

A somewhat similar condition obtains in connection with sugar. While we can produce sugar from sugar beets and sell it at four cents a pound wholesale—at least we could in 1937—and make a good profit, that does not mean we can successfully compete against sugar coming in, we will say from Haiti, or Santo Domingo or Jamaica, where there may be a glut of sugar as a result of which they would be ready almost to give it away or dump it. We would require to have ordinary commonsense protection, but that protection does not necessarily raise the price of sugar to a point at which any consumer in Canada will suffer. Certainly when sugar was being sold wholesale at four cents a pound and the dominion government was deliberately adding two cents a pound or 50 per cent to the cost of the sugar by way of excise tax, no dominion administrator and certainly no supporter of any Liberal government had any right to go about the country telling the people they had to pay high prices for sugar because the beet sugar industry had to be protected.

I want to say just a word or two further on this matter while I am at it, because I think there are important considerations to be borne in mind. May I refer to the question of what to do about the sugar-producing areas? I will bring just one instance to the attention of hon. members; that is, the rubber industry. Speaking entirely from recollecation of an article I read, so that I may not be entirely correct, though I believe I am, I am told that the rubber we use in Canada would keep a hundred thousand Malayans in Malaya.

The ACTING CHAIRMAN (Mr. Golding): Order. I hope the hon. member will keep to the item under consideration.

Mr. BLACKMORE: Surely sugar is one of the matters under consideration. The hon. member for Lake Centre rose and discussed it, and sugar has been discussed by several other hon. members.

Mr. GARDINER: The sugar discussion may be quite proper, but certainly rubber is not produced on the farms of Canada; it must be brought in from some other country.

Mr. BLACKMORE: I shall not be on rubber for more than just a second. Would any hon. member or anyone in this country advocate that we discontinue the production of rubber in Canada just in order to keep the poor Malayans?

Mr. GARDINER: I would.

Mr. BLACKMORE: In case of another war I am afraid the hon. gentleman would regret his stand.

Mr. GARDINER: I hope there will not be another war, and there may not if we do not keep on doing these foolish things.

Mr. BLACKMORE: Well, we all kept on hoping that the last war would not occur, too.

The ACTING CHAIRMAN (Mr. Golding): Order. I hope the hon. member will discuss this item. It has nothing at all to do with rubber.

Mr. BLACKMORE: I am no longer, on rubber, Mr. Chairman; I have left it entirely and gone back to sugar. In 1936 we had in this house a very large number of members who literally scoffed at the idea of another war; the minister will remember that.

Mr. GARDINER: I was not one of them.

Mr. BLACKMORE: No; fortunately the minister was not one of them. He is too much inclined to face the facts. He was too wise for that, but there were plenty of silly people in this house who were sure we would not have a war. Yet look at what happened in 1939. I am not saying we shall have a war. but I am saying it is the part of wisdom to be prepared in case war should come. That is one of the most important matters bearing on this whole question of sugar. If we should have another war and had to transport our sugar from cane-producing areas, using precious ships, railroads and other transportation facilities, how in the world could it be argued that we would be wise in allowing ourselves to get into a position of that kind? I am just one ordinary Canadian, the same as the rest of us, but as far as I can judge, the more nearly we can come to producing our sugar requirements in this dominion, the sounder will be the basis upon which we establish our economy.

The minister raised another question which is important. I follow him and agree with his reasoning. He says we must come to the point where we have free trade; we must come to the point where we live and let live. I grant that, but I am contending here that the problem must be solved in a different way from what the minister has in mind. The problem of Jamaica, Cuba, Haiti, Santo Domingo, Puerto Rico, Malaya and these other countries which find themselves unable to produce enough goods to enable them to buy the things they need, will have to be taken care of by an international mutual aid arrangement, to the extent of their needs. To the minister, and to many people who have not had experience of the kind I think I have had, that may seem impossible, but to me it is not impossible at all. I do not want to be out of order in making this statement, but I think it must be said; as a matter of fact, if the fundamental principles of social credit are applied to the national and international economies of the world, that problem of international distribution can be taken care of just as easily as the ordinary trade we carry on to-day. It is a simple matter to deal with the question. The solution must be found sooner or later, and we might as well begin to look forward.

The first important thing in this world is production. The minister agrees with that 100 per cent, I know. The first thing we must do is to make sure we have all the sugar produced in the world that the world can use. That is the first thing; and that applies to all other commodities. This means that in this Dominion of Canada the prime responsibility resting upon us is to increase our production, increase our immediate productive capacity in just as many lines as possible, so that we shall have the goods. That is one of the greatest reasons for increasing the sugar production of the country.

Just before I take my seat, I think perhaps hon. members will be interested to hear these facts regarding the sugar industry in my constituency.

Mr. GARDINER: I have been listening to these remarks for a long time, hoping they were coming to an end some time; but if the hon. gentleman is dealing with matters of production, we passed all the production items yesterday. We are concerned with marketing, and nothing else. If it is a question of discussing the marketing of sugar beets or sugar, all well and good. But I do not think we are in order to go on discussing production, when the item was passed yesterday.

Mr. BLACKMORE: I do not wish to displease the minister; I do not wish to carry on the discussion, if he has strong objection. But certainly the hon. member for Lake Centre was discussing the production of sugar, as did several other hon. members. Certainly the minister, when he attempted to answer those gentlemen, was discussing the same question. I am doing nothing more.

However, I have said enough on this occasion so that, if it is the desire of the minister and the chairman, I shall gladly permit the item to pass.

Item agreed to.

Marketing service—

29. Live stock and live stock products, $721,521.

Mr. FARQUHAR: I wish to say only a few words on this item of the marketing of live stock and live stock products. The marketing of farm products has always been one of our great problems. Much has been said in the house from time to time on this subject, especially by hon. members from the western provinces. Much has been said too by hon.

members from the other provinces. It is quite within the rights of any hon. member to speak at length on the subject.

There is one thing, however, to which I take exception. Many times when these subjects are under discussion in the house, comparisons are made between western and eastern farmers, in an effort to show that the eastern farmer has enjoyed a favoured position, when compared with that of the farmer in the west.

Mr. BLACKMORE: Does the hon. member include me among those?

Mr. FARQUHAR: I have not mentioned anyone in particular.

Mr. BLACKMORE: I just wish to disavow all that, for myself.

Mr. FARQUHAR: I refer not only to what has been taking place in this debate, but also to what has happened from time to time when farm policies have been discussed in the house, notwithstanding the fact that the eastern farmer is receiving a smaller percentage of the national income than is the farmer in the west.

During my years as a member of the house, from year to year millions of dollars have been poured into the western provinces. On every occasion that western farmers have asked special consideration in connection with some of their problems, we of the east have supported them. We feel, however, that we would like to see a better feeling of co-operation. When western members can show that they have some special reason for asking special consideration, we are prepared to support them, as we always have been.

However, after listening to the debates in the house from time to time, I have come to the conclusion that there are some characteristics that eastern farmers have in greater extent than is indicated by western farmers. For instance, we have a much greater degree of personal independence; we have greater confidence in our community and in our province. I believe, too, that we have greater confidence in ourselves and in our own ability to solve some of our own problems, rather than ask the government to do everything for us.

I should like to tell the committee some of the things being done in the constituency of Algoma East, which I have the honour to represent. In that constituency we have agricultural sections second to none in Ontario. We produce some of the finest cattle sold on the Toronto market. We produce, too, the highest quality of sheep and hogs, and our Manitoulin turkeys are known throughout Canada for their fine quality.

[Mr. Farquhar.]

For many years buyers have been coming in from the eastern parts of the province. I understand that a number of them have come from the section represented by the hon. member for Middlesex West. Those buyers who have been coming into Manitoulin island for years, and have been buying cattle, sheep and hogs, are much better judges of weights than many of the farmers with whom they deal. The result has been that they have been taking advantage of the farmers of that island.

Through our farm organizations, however, all this has come to an end. Those organizations, especially the ones operating on Manitoulin island itself, take care of practically all the marketing of farm products in that section of the constituency. Our wool growers' association takes care of the grading and shipping of our wool. The turkey growers' association looks after the grading of turkeys, and their shipment in carload lots to any point in Canada offering the best market. Our farm organizations take care of the marketing of our cattle and sheep. Our live stock yard is as fine as that in Toronto. Cattle are brought in, in large numbers. The days on which sales are held are well advertised, with the result that the abattoirs send men in who are prepared to pay prices satisfactory to the farmers, prices which are much higher than they have received in years gone by.

Buyers from other parts of the province, including Middlesex West, still come up to my constituency; but they do not buy cattle. They just look on, and think of the good old days when they used to come to Manitoulin and fleece the farmers. But those good old days are gone forever, a fact for which we are truly thankful.

I appreciated what was said by the hon. member for Kootenay West last evening when he described what the farmers in his constituency are doing in the matter of marketing their own produce. I suggest to my western farmer friends that they put forth a greater effort in endeavouring to solve some of their own problems, through their own local organizations, as we are doing in Algoma East. By so doing, I believe they will accomplish much more than they have accomplished by complaining so much in the house, and from time to time by making comparisons of their conditions with those of farmers in the eastern parts of Canada.

Mr. KNIGHT: I had some difficulty, while listening to the observations of the hon. member who has just taken his seat, in knowing what item is under discussion. I fancy he thought it was the marketing item.

Mr. FARQUHAR: I was discussing the marketing of live stock.

Mr. KNIGHT: I see. The hon. gentleman has referred to the ability of the western farm organizations to be able to take care of themselves and I can assure him that they are doing that quite efficiently.

I wanted to say a word or two about Canadian bacon and I have some questions that I should like to direct to the minister. He may remember that I asked certain questions last year and, as the hon. member to my right said last night, they provided the necessary stimulus to the minister for a couple of speeches. I do not know whether he will have time this afternoon to make a couple more, but I assure him that my questions are couched in such a way that he will be able to answer them in two minutes.

I am making these queries on behalf of the forgotten man of this country, or perhaps I should say the forgotten housewife; in any event, I speak on behalf of the consumers. It is a notorious fact that much of the bacon we have had in this country during the past six years has hardly been fit for human consumption according to our standards. Instead of being produced from No. 1 hogs, it has been manufactured from what is commonly known in the trade as sows, stags and heavies. I think I know meat when I see it, and the unfortunate thing is that we are having to pay as much for this low quality meat as we paid for good meat when it was available.

It may be said that the good bacon is being sent overseas to people who are hungry and need it. I was glad to hear the minister say the other day that it is now considered more important to send grain. As he knows, it takes seven or eight pounds of grain to manufacture one pound of meat, and perhaps grain is a more economical form of food for these hungry people. It may be contended that the higher grades of meat contain more nourishment per pound and that to ship them would save shipping space, but the war is over and shipping is now available.

I have been doubtful for some time whether we are granting an unmixed favour to the hungry people of Europe by sending them our top quality meats at the prices we have to charge for them. I want to make myself perfectly clear. If the government decided to export all the bacon produced to feed the hungry people of Europe and charge the cost against the taxpayers of Canada, I would support them. But having said that, I submit that these same hungry people would probably welcome some less fancy meat if it were offered to them at prices which they could afford to pay. My opinion in this regard was confirmed and strengthened the other day when I went into a store to buy a piece of back bacon. The butcher handed over an infinitesmal piece of bacon for which he charged me seventy cents a pound, and then he said, "Isn't that terrible stuff to be sending to a hungry man?" He said, "The people who are really hungry cannot afford to buy meat at that price."

Last year I asked what percentage of rough bacon, if you can call such things as front hocks and jowls bacon, was being consumed in Canada. The minister in one of the speeches to which the hon. member referred and in which he took us down to South America and around to other parts of the world—

Mr. GARDINER: The hon. member has gone nearly around the world and I shall have to do the same in order to answer him.

Mr. KNIGHT: The minister stated that we were sending about 90 per cent of the top cured bacon to Great Britain. That was not exactly an answer to the question I asked. That would mean that the housewife in this country is able to buy only ten per cent of the good meat that is produced. I was asking what proportion of the rough meat of poor quality that is produced is used here? I think the answer would be 100 per cent. However, I should like to have some confirmation from the minister. Canadian bacon as sold on the British market might be all right, but as we know it on the home market it is almost unfit to eat. At first our bacon was not popular in Great Britain because they objected to the type of curing, but we have solved that problem by working out a milder cure.

During the war we were prepared to make sacrifices, but I think the time has come when the Canadian housewife who is paying high prices for meat should receive good meat for her money. We are told about children in Europe who have never tasted an orange but I can tell of children in this country who have never tasted a piece of good bacon. Last session the minister named a period of at least twelve months during which we should try to send to Great Britain bacon of prime quality, and he said, as reported on page 3190 of *Hansard*:

> . . . we shall try to keep on our own market food value in accordance with its real food value.

That is a somewhat vague statement, but I think it meant that while these meats were not the best they would be sold at a price where they would be at least worth the money being paid for them. I claim that that has not been done. This is a matter in con-

nection with which the packer can easily deceive the public on account of the prevailing ignorance on the subject. When one goes into a store nowadays and asks for a piece of back bacon, he is given back bacon all right but it is off a sow. It has been trimmed of the two or three inches of fat which would naturally be on it. The residue is lean, but it is hard, tough and comparatively tasteless.

From my own knowledge and of my own experience I know there is no difference between the price usually charged and what should be paid for good bacon, even if it were possible to find the latter. As I say, it is almost impossible to find any good bacon. I suggest to the minister that there should be a definite ceiling upon the prices of this inferior so-called bacon and that such fancy and deceptive names as "picnic ham" used to describe things which are not hams, or "bacon" used to describe pig cheeks should be prohibited by law. High-pressure salesmanship and deceptive terms have been regulated in connection with the fur trade. If it is rabbit, it must be described as rabbit. That may appear in small print in the advertisement, but it must be described in that way. It is time that something should be done in this other and similar commercial racket.

Having thus expressed myself, may I respectfully ask the minister to answer the questions I shall put to him? First, how much of these rough meats produced in Canada is being consumed in Canada? Second, is the percentage of good bacon that is exported, which was given last year as 90 per cent, still unchanged? Third, will the minister assure the housewives through us that more good bacon will soon be offered on the Canadian market and tell us how much and how soon?

There is another question which I should like to ask but which I will not expect the minister to answer at the moment. It seems to me to be relevant to the subject under discussion. Has the minister any reason to hope that, all things being equal and the war now being over, Canada will be able to retain her position in the British bacon market? The only reason I can see for sending all that quantity of meat over there is to retain the British market as against the Irish and Danish producers. So far as my information goes, we can retain that market only with great difficulty against Ireland and Denmark, because of their proximity to the British market and the fact that they are grass and dairy countries and have a tremendous amount of milk which they can feed to their pigs. If there is no hope of holding our preferred position—and I think it is generally admitted that we cannot hope to hold our bacon market as we did during the war—then any sacrifices that we are making in the direction of eating tough meat to retain the British market are only postponing the evil day and are in vain in any event.

With regard to the quality of the meat that is going over—I am not sure how far I should discuss this because the case is *sub judice*—I have here a Canadian Press item which says:

> The Supreme Court of Canada has decided that the Union Packing Company of Calgary, Limited, should proceed against the crown in an effort to obtain damages for loss of quantities of bacon.

There was a question whether they should proceed against the crown or the bacon board. The item goes on to say:

> The claim arises out of a shipment of 160,000 pounds of bacon and other pork products to Saint John, N.B., which arrived there on March 11, 1941, to be shipped to the United Kingdom.

It appears from the following paragraph that no ship was available for eighteen days, and the bacon spoiled, a fact which does not speak very highly for the curing methods, and then on March 29:

> On that date the board's inspectors rejected 73 boxes containing 42,785 pounds of rib backs on the ground of slime, odour and some mould.

Now 42,785 pounds is a lot of meat, particularly when you can scarcely get a pound of bacon in Canada. I would ask the minister what final disposition was made of that meat. He knows that when we cure our own bacon on the farm we often have a struggle with a little mould on the outside. I should like to know whether this meat was salvaged, and whether we have since eaten it, in addition to the other types of meat I have discussed.

Mr. GARDINER: Any meat which is condemned is sent back to the plant that produced it to be reconditioned before being put on the market again, or it may be used for tankage or some other purpose.

I have been asked, Mr. Chairman, that the committee rise at twenty minutes to six, which is five minutes from now, and therefore I shall not attempt to make a speech at this moment. I would suggest to the committee that we have been discussing the marketing service and agriculture on two different amendments which were moved to the address, and also on a motion to go into supply and on two amendments to that motion. In other words, we have had weeks of discussion of these items and have now spent the greater part of to-day on them. I would suggest that, after I have answered as shortly as I can one or two questions that have just been asked, the

committee might allow the marketing items to pass so that at the next sitting we can discuss the special items.

Replying to my hon. friend's questions, we certainly could not retain the British market in competition with Denmark and other countries if we followed the suggestion that has been made of sending our poorer bacon to Britain and retaining the good product at home.

So far as beef is concerned, we have been sending praactically all our canner cattle overseas in cans. Last year we sent 126,000,000 pounds of canned meat to Britain, and it was the poorer pork and the poorer beef that was put into those cans. That is always the case in our canning processes here in Canada. It must be remembered, however, that we are in competition with the Argentine in canned meat and the Argentine follows quite a different practice. They put very good meat into cans, and if we want to compete with them in that trade we shall have to do differently from what we have been doing. The greater part of the 400,000 odd head of cattle which have been shipped out of this country in the form of meat during recent years has been the poorer beef. As a matter of fact, under the arrangements we have we are not permitted to send more than twenty per cent of our red and blue beef out of Canada. That is provided by the prices board regulations. We have never got up to that twenty per cent. Only a very small percentage of our red and blue beef, which is the highest quality of beef we have has gone out of this country for export. We are eating it at home. I know from experience in my own home that in the last three or four years I have been eating the best beef that I ever ate in Canada. When the United States market was open we sent our best beef to that country, but that market is now closed and we are consuming the greater part of our red and blue beef at home.

The other question had to do with the 90 per cent. I never at any time said that we were marketing 90 per cent of our A's and B's in Britain except for two months last fall. Hon. Ben Smith telephoned me one morning to ask if we could not supply Britain with more bacon. I told him over the telephone that we would try to do so, and during a two months' period we raised the amount going to Britain to 90 per cent of our A's and B's. Ordinarily we send from 70 to 85 per cent to Britain, but during that two months' period we sent 90 per cent.

Mr. KNIGHT: What percentage of the meat is being consumed in Canada?

Mr. GARDINER: I could not state the exact percentage offhand, but if my hon. friend will put the question on the order paper I will answer it. The figure can be got, but first I would want his definition of poorer meat.

Mr. KNIGHT: Can we hope that a greater proportion of good bacon will be released for consumption in Canada?

Mr. GARDINER: It is not a question of whether any more can be released. It is a question of whether we can market the quantity we desire to market and thus retain our marketing position. If we turned all the good bacon that is produced in Canada on to the home market, the price, irrespective of anything that this government might do, would not remain high very long.

Mr. BRYCE: I do not want to be discourteous to the Chair or to the minister, but I have been waiting for this item to ask a question about hog graders that I asked at a previous sitting, when the minister asked me to wait until this item was before the committee. How many hog graders have you in the Dominion of Canada and how do they work? Do you keep them in one place the whole time or change them around like the cream graders—leave them in a plant for three months? How long do you keep them in a plant at a time? When the committee meets again will the minister tell us what are the duties of a stockyard agent?

Mr. GARDINER: The answer to the first question is, about seventy-five. The answer to the second is that they rotate, in a community like Winnipeg, for example, from plant to plant, and not always for the same length of time. It depends on the plant and on the individual; sometimes it is a week and sometimes it is a month.

Mr. BRYCE: Would the minister give me an answer some other time as to how long they stay? I think it is far longer than a month.

Mr. GARDINER: If the hon. member will write me a letter indicating what he wants to know, I will reply to it.

Mr. BRYCE: Certainly. And the minister will tell me what a stockyard agent is?

Mr. GARDINER: Call the next item and let us carry that.

Mr. SENN: So far as this party is concerned, I think there is no trouble about passing these two items, except that there is one matter of grading which one of our members wants to bring up. It will take a

little time, probably about ten minutes, and I understand that it is desired to adjourn. Will the minister undertake to let us discuss that item later?

Mr. GARDINER: Yes.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie the house adjourned at 5.45 p.m.

Thursday, May 30, 1946.

The house met at three o'clock.

REPORTS OF COMMITTEES

Second report of standing committee on standing orders.—Mr. MacLean.

First report of joint committee on the library of parliament.—Mr. Speaker.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

C.N.R. STATION, MONTREAL

Mr. KIDD:

1. What has been the total amount of expenditure up to September, 1939, on the new C.N.R. station in Montreal?
2. What has been the total amount of expenditure from September, 1939, up to the present time on the new C.N.R. station in Montreal?
3. What has been the total expenditure on the new C.N.R. station in Montreal to date?

Mr. CHEVRIER:

1, 2 and 3.

The Canadian National Railways advise as follows: Main terminal—including land, cost of excavation, cost of the station building and sub-track areas, together with viaduct and trackage from north side of St. James street to the tunnel portal: To Sept. 30, 1939, $7,278,297; since Sept. 30, 1939, $5,751,342; total, $13,029,639.

NATIONAL DEFENCE (AIR)—CAPE SCOTT-FISHERMEN'S BAY ROAD CONSTRUCTION

Mr. PEARKES:

1. Was a road constructed for the Department of National Defence for Air between Cape Scott and Fisherman's bay, Vancouver island?
2. If so, to whom was the contract awarded?
3. What moneys were paid to the contractor for any work done between 1942 and 1945?
4. What length of roadway was constructed?

Mr. GIBSON (Hamilton West):

1. Yes.
2. Marwell Construction Company.
3. $20,780.40.
4. Approximately four miles.

[Mr. Senn.]

CANADIAN NAVY—PRIZES

Mr. THATCHER:

1. Will the officers and ratings of the Royal Canadian Navy share in prizes taken by the navy during the war?
2. If so, when will the first distribution be made?
3. What approximately will be the value of the first distribution?

Mr. ABBOTT:

1. From information made available by the government of the United Kingdom, it is considered that officers and men of the Canadian naval forces will share in the distribution of prize money resultant from the capture and sale of enemy merchant ships and cargoes during the war 1939-45.

2 and 3. The date and amount of the first distribution are not yet known in the Department of National Defence for Naval Services.

CANADIAN REPRESENTATION IN YUGOSLAVIA

Mr. HERRIDGE:

1. Has Canada any ambassador, consul or trade commissioner in Yugoslavia?
2. If not, why are we not so represented?

Mr. ST. LAURENT:

1. No.

2. The Canadian government agreed to receive a Yugoslav minister in Ottawa in 1942 on the understanding that the question of reciprocation would stand over until the end of the war. A statement to this effect was made by the Prime Minister in the House of Commons on February 9, 1942. Somewhat later Major General Vanier, now Canadian Ambassador to France, was accredited as minister to the Yugoslav government then temporarily established in London; he was also accredited to the five other allied governments then in London. Since the end of the war it has not yet been found possible to establish Canadian missions in the capitals of all these countries, including Belgrade, because of the difficulty of finding the requisite number of experienced personnel to meet the rapidly growing needs of the Canadian foreign service. The establishment of diplomatic missions in Yugoslavia, and in the other countries which maintain missions in Ottawa without reciprocity on the part of Canada, is under consideration.

ALLOTMENT OF SUGAR TO PRESERVING AND CANNING INDUSTRIES

Mr. BARRETT:

1. Has the government taken any action toward increasing the quota of sugar allotted to preserving and canning industries during the months of June, July and August?
2. If so, what action?

Mr. MAYHEW:

1. No action has been taken to increase these sugar allocations. The policy of the board for 1946 provides sugar for the manufacture of preserves on exactly the same basis as that granted during 1945, i.e.: 100 per cent of the quantity used during the first six months of 1944; 70 per cent of the quantity used during the last six months of 1944.

For commercial canners the amount of sugar allocated is related by formula to the quantity of fruit purchased and processed.

2. Answered by No. 1.

NATIONAL HARBOURS—FLOUR MILL, PIER 23, HALIFAX

Mr. GILLIS:

1. Did the provincial government of Nova Scotia apply to the National Harbours Board for permission to erect a flour mill at or on pier 23, Halifax, Nova Scotia?

2. If so, was permission to lease or use this property granted? If not, why not?

3. Did the provincial government of Nova Scotia appeal to the federal government at Ottawa against any decision arrived at by the National Harbours Board on the proposal to erect a flour mill at or on pier 23, Halifax, Nova Scotia?

4. If so, what was the answer of the federal government to the provincial government with regards to the proposal to erect the above mentioned mill?

Mr. CHEVRIER: Answers (furnished by the national harbours board). The answers to the above questions are contained in an order of the House of Commons tabled on December 15, 1945, and recorded as sessional paper No. 248.

QUESTIONS PASSED AS ORDERS FOR RETURNS

POLYMER CORPORATION—EXCHANGE OF RUBBER FOR MATERIALS OR SERVICES

Mr. MURPHY:

1. Was any type of rubber used as a medium of exchange for material supplied or services rendered by any individual, company or corporation to the Polymer Corporation Limited?

2. If so, when and how much and at what price?

3. Was any rubber sold or shipped outside of Canada?

4. If so, when, to whom, what quantity and at what price?

Mr. McILRAITH: Return tabled.

POSTAL SERVICE—LETTER-BOX COLLECTIONS

Mr. RAYMOND (Beauharnois-Laprairie):

1. What requirements are necessary for the establishment of letter-box collections in cities or towns?

2. What cities and towns have letter-box collection and what is the population of each?

3. Are there any cities or municipalities where a letter-box collection has been established and where there is no home mail delivery?

GOVERNMENT PRINTING—OUTSIDE CONTRACTS

Mr. THATCHER:

1. What is the total dollar value of government printing, given by the King's Printer to outside companies since Janauary 1, 1946?

2. What are the names of all companies which have received government printing since the above date?

3. Since January 1, 1946, what is the value of the work done by each of these companies, and what is the value of contracts outstanding with each?

4. How much government printing was done (a) in each maritime province; (b) in each of the four western provinces, during this period?

5. How are outside printing contracts let by the King's Printer, by tender or by some other method?

JAPANESE IN CANADA

REPATRIATION—DELAY IN DEPARTURE FROM VANCOUVER

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): May I ask a question of the Minister of Labour? According to a report from Vancouver, persons of Japanese origin who have requested transportation to Japan or who are being deported otherwise are being held incommunicado and their friends are not able to gain access to them before they leave the country. Of course no charges have been laid against these people. Is this action taken by reason of a local ruling, or a ruling of the Department of Labour?

Hon. HUMPHREY MITCHELL (Minister of Labour): I know nothing about it, except that there has been a delay in the departure of the ship that was to have taken these people back to Japan. I shall be glad to look into the matter.

Mr. COLDWELL: Will the minister check it up?

Mr. MITCHELL: Yes.

HOUSING

APPOINTMENT OF COORDINATOR

On the orders of the day:

Hon. GROTE STIRLING (Yale): I should like to direct a question to the Minister of Reconstruction and Supply based upon a release by his department which reached us to-day, announcing the appointment of Mr. T. F. Flahiff as coordinator of housing. Are we to understand that he has begun this work, or will he begin it shortly?

Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Flahiff has been an officer of the department carrying on other

duties for some time. He was transferred to this work some two months ago, and his appointment as coordinator was made recently. Formerly he was in the deputy minister's branch.

Mr. STIRLING: He is now operating?

Mr. HOWE: Yes.

Mr. STIRLING: I should like to ask the Minister of Veterans Affairs how this will affect the housing operations, especially in connection with small loans under the Veterans Land Act. I notice this gentleman is to be coordinator and I should like to know if that means that the director of the Veterans Land Act will no longer act in that capacity.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): There will be complete cooperation between the Minister of Reconstruction and Supply and the director of the Veterans Land Act in the Department of Veterans Affairs. Generally speaking, we shall not embark upon small holdings operations close to urban areas; that will be left entirely to the direction of my colleague, the Minister of Reconstruction and Supply.

Mr. STIRLING: We shall continue to keep in touch with the director of the Veterans Land Act?

Mr. MACKENZIE: Yes.

VICTORY CELEBRATION

CANADIAN REPRESENTATION IN LONDON

On the orders of the day:

Mr. E. G. McCULLOUGH (Assiniboia): I should like to direct a question to the Minister of National Defence. Is it the intention of the minister to send or authorize to be sent any high ranking officers to the V-E day celebration to be held in London?

Hon. DOUGLAS ABBOTT (Minister of National Defence): It was announced some time ago that General Crerar would represent Canada at this celebration.

Mr. CRUICKSHANK: Will any members of parliament be going?

Mr. PROBE: I understood the minister to say that General Crerar was the only delegate who would represent Canada at the V-E day celebrations in Britain. Are there any other officers in Canada whose expenses in attending that celebration are being paid?

Mr. ABBOTT: No. So far as expenses are concerned, General Crerar is still on retirement leave, and the only expenses involved are his transportation expenses there and back. No other Canadian officers are going. The remainder of the Canadian representation in the parade will be made up of members of the armed forces already there. I understand that the Prime Minister, who is in Great Britain, will also take part in the ceremonies.

LABOUR CONDITIONS

SUGAR BEET INDUSTRY—POLISH SERVICEMEN

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): I should like to direct a question to the Minister of Mines and Resources, or the Minister of Labour, or both. Is it the intention of the government to bring to Canada several thousand Polish servicemen, who served with allied forces, as a means of overcoming the labour shortage in the sugar beet industry?

Hon. HUMPHREY MITCHELL (Minister of Labour): The government has no announcement to make at the present time, although the matter is being considered.

SEAMEN'S STRIKE—STATEMENT AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): Yesterday the hon. member for Calgary West (Mr. Smith) asked me a question with reference to the present strike on the great lakes. Hon. members will no doubt be interested in receiving a report from me with respect to the efforts which have been made to deal with the strike of seamen on the great lakes and inland waters.

The Canadian Seamen's Union and the various steamship operators represented by the Dominion Marine Association entered into a collective agreement effective August 1, 1945, for a period of one year. The agreement covered wages, rates of pay for overtime, working hours and other matters. The termination clause of the agreement provided that it would remain in effect until July 31, 1946, with a reservation that changes in the agreement could be made during the currency of the agreement by mutual consent of the parties thereto. It was under this latter provision that the union had been carrying on negotiations with the employers for a reduction in the working hours from twelve to eight per day, or from a total of 84 per week to a total of 56 per week. These negotiations having terminated unsuccessfully, the Department of Labour was brought into the situation some two months ago and, after holding separate con-

ferences with the parties, has since been endeavouring to get them into agreement on this issue.

At my first conference with the operators I took the position that I could not defend the 84-hour week, and I urged the employers, and later on the union, to settle this issue by the process of collective bargaining. Representatives of the operators and the union conferred early last week in Toronto and this conference was attended by one of the senior conciliation officers of my department.

At this conference, while the operators accepted the principle of the eight-hour day, disagreement ensued as to the detailed application of the principle, and the negotiations broke off. I then arranged that a meeting between representatives of the Dominion Marine Association, which speaks for a considerable number of the operators, and the union, would be held at my office in Ottawa on Tuesday, May 28, and both parties had indicated their intention of being present. At that meeting I was hopeful that the negotiations broken off in Toronto would be resumed and that a settlement would be reached. However, on the morning of May 24, the department was informed that two union delegates, who had boarded a vessel owned by one of the operating companies, were ordered off by the master, who said that they could not discuss their business with the crew except during the lunch period. It was claimed by the union that this was a violation of their collective agreement, and ten members of the crew, of whom eight were off duty, followed the union delegates to the wharf and were then refused readmittance to the vessel.

The union alleges that this constituted a lockout and a violation of the contract. The company on the other hand takes the position that provisions existed in the collective agreement for the settlement of grievances and that these provisions should have been invoked by the union instead of the men walking off the ship. The union thereupon called a strike on the vessels of that particular company, and this action was followed on Monday of this week by orders for a general strike.

On Tuesday of this week representatives of the union and of the companies came to Ottawa as previously arranged, and since then I and officers of my department have been meeting them in separate conferences. Matters have been developed to the point where there was willingness on the part of the representatives of the companies and the union to meet in joint conference, and late this morning I brought them together.

So far as the movement of the ships is concerned, hon. members will I am sure have read various reports in the newspapers and probably would desire me to say a word in connection with the arrests that have taken place and the reports that some disturbances have occurred.

Reports of the Royal Canadian Mounted Police would indicate that such disturbances as have occurred have, in the main, been centred in Cornwall and along the forty-five miles of canal which hon. members will recall is paralleled by a highway. This creates a difficult situation for the Royal Canadian Mounted Police to control. On the other hand the disturbances have not been as bad as some press statements would indicate. Such arrests as have been made were made as a result of charges laid by the individual steamship companies.

Resulting from the joint conference between the representatives of the parties this morning it was agreed:

1. That the Minister of Labour shall hold a meeting with the larger operators and lay before them the definite proposals which have been discussed for the settlement of the dispute. This meeting is tentatively scheduled for Monday next.

2. That to provide for a suspension of activity it was further agreed that as Minister of Labour I should issue a statement as follows:

The union agrees to allow members who are still on ships to operate them until the meeting of operators called by the minister is over, provided the operators will suspend attempts to man ships which are now tied up because of shortage of crews until meeting tentatively called for Monday or any continuation thereof is concluded.

I am sure all Canada will join with me in urging upon both parties acceptance of the plan of suspending action in connection with the strike in the interest of the dominion.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

DEPARTMENT OF AGRICULTURE

The CHAIRMAN: Item 31.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Chairman, last night when we adjourned we had passed item 30, conditional upon a request made by the hon. member for Haldimand that there were some questions to be asked on grading by some members not present at the time who desired information, and some questions were also to be put by those present.

Mr. SENN: I did not say anything about those who were not present. There were members present who wanted to ask questions.

Mr. GARDINER: Yes, that is correct, on grading particularly, and those questions were to be asked to-day before we proceeded with this item.

Mr. PEARKES: I desire to ask a question of the Minister of Agriculture regarding the grading of turkeys. Some years ago a special type of turkey known as the broad-breasted turkey was introduced to Vancouver island. By selective breeding and careful feeding a superior bird has been produced, and it is now recognized that this particular type of turkey has a definite advantage in the market. The majority of turkeys are, as the minister well knows, raised on the prairies, and are the standard type of turkey, including such birds as the bronze, reds and white hollands. This is an athletic bird which spends a good deal of its mature life in roaming the range, and, by chasing grasshoppers, develops muscular legs and wings. On Vancouver island we have no range, and our turkeys do not live such an exciting or interesting life, because as soon as they have passed from childhood—or chickhood, if one might use the expression—they are enclosed in narrow confinement; many of them are placed upon wire and spend the rest of their lives in crates. Now the range-fed turkey or standard type is brought in a few weeks before Christmas or Thanksgiving and fattened, but the Vancouver island turkey has been fed a balanced diet all through its life, and the meat grown on it is more uniform than the meat grown on the standard type of turkey. The contention of the Vancouver island turkey growers is that the meat from their turkeys is superior to that of the prairie turkeys; in fact I am told restaurant keepers claim that sixty pounds of the meat type turkey compares with one hundred pounds of the standard type turkey; and the breeders and poultrymen of Vancouver island wish to know whether they could be given a special grading, or if the existing grades, that is, special, A, B and C, could be reviewed so far as dimensions and conditions are concerned so as to give this superior type of turkey a fairer deal in the markets and so that the breeders of these turkeys might have the benefit, rather than the hotel and restaurant keepers, of having a special grading, or the condition of the existing grades reviewed. Can the minister give me any information on that matter, and can he have the case reviewed and see that before next Thanksgiving we get a better service?

[Mr. Gardiner.]

Mr. GARDINER: Unfortunately I have never seen the double-breasted turkey in British Columbia.

Mr. PEARKES: "Broad-breasted".

Mr. GARDINER: I have seen the double-breasted turkey exhibited in Ottawa, at the Chateau Laurier. I am not suggesting that any of them are in the house! At the annual meeting of the poultry people, I think it was two years ago, there was a very fine exhibit of this type of turkey at the Chateau. They were there to be seen by those attending the meeting, and on that occasion I did see them. They are a very fine type of bird, and produce, of course, much more in the way of breast meat, which is the important part of the turkey, than does the ordinary turkey.

The other matter, feeding birds without allowing them to use their muscles, does not apply only to turkeys; it has been applied in a very big way in connection with ducks. Ducks are not allowed to swim if you want them to produce just what people like to eat. If turkeys are not allowed to run, that helps too, as far as the legs are concerned.

On the matter of grading, I see no reason whatever why a special grade should not be allowed for birds of that type, whether ducks or turkeys or whatever they may be, just as we have red and blue beef in cattle. I will look into the matter and see if we cannot devise something to give proper recognition to this condition.

Mr. ROSS (Souris): With reference to what my colleague has just said, you do not have to go to British Columbia to get these broad-breasted turkeys. My young lad is always at me to get some of these double-breasted turkeys. Right in Manitoba, in the Portage la Prairie district, we have one of the largest ranches, producing from eight to twelve thousand birds a year, but they are never out roaming the prairies and becoming the athletic type that the hon. member spoke of. I should like to support his request that the minister do something in the way of providing a special grade. These people have developed a fine specimen of bird.

Special—

31. Prairie Farm Rehabilitation Act and water storage. (This does not include the costs of survey and engineering work on the Medicine Hat irrigation and Red Deer diversion projects in Alberta and the South Saskatchewan river project in Saskatchewan, which costs are to be made available from the item of $10,000,000, No. 606, Department of Reconstruction and Supply), $3,000,000.

Mr. BLACK (Cumberland): Under this heading the discussion of the marshlands at the head of the bay of Fundy has always

taken place. On May 17 the minister made this statement, as reported in *Hansard,* page 1641:

> Of course the main problem in that area is the dikeland problem, which in a sense is somewhat similar to this. I can discuss the present position in relation to that problem more effectively under the prairie farm rehabilitation vote. I had hopes up until very recently of being able to report to the house that we were hoping to have something done in connection with this problem but I am not so hopeful now. I shall be glad to discuss that when we come to the prairie farm rehabilitation vote.

With your permission and that of the committee I think we should deal with this subject all at one time. I do not think it will take very long. In previous years the discussion has been mixed up with discussions on the very important subject of prairie farm rehabilitation as it applies to the prairies. I feel it would be in the interest of all concerned if we could exhaust at one time what has to be said rather than have members interested in the direct vote make their remarks. I believe my colleague the hon. member for Colchester-Hants has something to say now in connection with this item.

Mr. STANFIELD: I would like to ask the minister's kind consideration to having the Prairie Farm Rehabilitation Act enlarged so that it will take in eastern Canada, and include our marsh lands in Nova Scotia. Our problem of course is not putting water on the land; it is to keep it off the land and carry it away.

I think we have said on a good many occasions in this chamber that these lands are the most fertile and productive in Nova Scotia. They are protected from the high tides by dikes which were built a long time ago, some of them as many as a hundred and fifty years ago. In the last few years we have had very high tides in the bay of Fundy, and as a result of the wear and tear of many years these dikes have gradually given way. You may ask me why they cannot be repaired just as they were built many years ago. The answer is simple. In those days there were many men in the rural communities and on the farms who were glad to work on the dikes, digging ditches to drain these parched lands, and the cost was low. To-day however you cannot get anyone in the rural communities, or at any rate very few, to go and work in the muck and mud digging ditches all day and building dikes.

There are a few places where the dikes have been kept in very good repair, but there are a great many more that had to be abandoned. The minister knows that we have not too many areas in Nova Scotia that are good for farming, and he knows also that the resources of the province are not as great as those of many other provinces, while our farming population is decreasing to some extent. We hear a great deal about the western farmers and what a terrible time they have had, but we hear little about the hard time that our farmers have had to face. A great deal of the sustenance obtained in Nova Scotia has come from lands that were not very fertile. For many years people made a living on those farms; in fact, they did not make a living but simply existed. Very capable people grew up on those farms and went to different parts of the world and made a name for themselves, but gradually those communities had to be abandoned. There is no one living there to-day, and I assure the committee that the great shift in the population of Nova Scotia in the years has meant a considerable hardship to the province and to farming and the rural communities.

If our marsh lands have to be abandoned, where shall we stand in Nova Scotia in regard to our farms? Some people say it will take a great deal of money to reclaim many of these lands. I dare say there are some areas which it would not pay to reclaim, but I contend that if even half a million were appropriated each year for a few years, together with what Nova Scotia would do in cooperation with the marsh owners themselves, such areas would soon be restored to a proper productive condition.

We are told that it is difficult to find the money for it, but it seems to be very easy to find two or three hundred millions for this or that. Sometimes I think charity begins at home, and I would ask the minister to give his serious consideration to this question so that as many as possible of our people in Nova Scotia may be kept at home and we may have a larger production from the marsh lands and good areas where our people may make as respectable a living as possible.

We do not want our farmers to leave the province any more than the people in any other part of the country would like to see their farmers leave. We therefore ask that the minister give the matter his earnest attention. This is a mechanized age, and modern methods are required to keep these dike lands and marsh lands in good productive condition. As I have said, you cannot get men to go and dig ditches nowadays and work the way they used to on these dikes. They simply will not do it. But modern machinery and modern methods would keep these lands in good repair. Once more I urge upon the

minister that he consider this question very seriously so that our marsh lands may be made productive.

Mr. BLACK (Cumberland): I wish to supplement what the hon. member for Colchester-Hants has said. What we want in Nova Scotia and New Brunswick is a definite declaration of policy from the minister and the federal government as to what they intend to do with respect to providing assistance for the reclamation and drainage of these marsh lands at the head of the Bay of Fundy. It is not suggested by anyone that the federal government should do it all, but they should take the lead in conjunction with the provincial government and with the marsh owners.

The vote for western Canada, for the prairies, I am not going to oppose. I have supported it every session, and it has amounted to $20 million—two million every year during the war years, and it is being increased this year by fifty per cent. Three millions is the vote this session, and in addition there are other items purely for the benefit of western agriculture. There is item 12, $451,340, item 25, $245,520; and in the vote we are now considering it is stated that there are special appropriations out of the sum of $10 million under this vote 31, that "this does not include the cost of survey and engineering work on the Medicine Hat irrigation and Red Deer diversion projects in Alberta, and the South Saskatchewan river project in Saskatchewan, which costs are to be made available from an item of $10 million, No. 606, Department of Reconstruction and Supply."

I would point out that these expenditures are all for the west, while nothing is being done specially for agriculture on the marsh lands in the east. This subject has been before parliament on many occasions. It was before the committee dealing with rehabilitation and reestablishment. That committee heard evidence from the premiers of the maritime provinces and the ministers of agriculture, and brought in a definite report back in 1943. This is 1946. The reports were favourable. The report was submitted to the previous parliament and passed unanimously. The provincial legislatures have passed special resolutions, and nothing is done. What the people at the head of the Bay of Fundy want to know is what the minister and his department and the government propose to do with respect to this matter. If nothing is to be done, if there is no hope, we want a declaration from them in order that the provincial legislatures and the marsh owners may know what they have to do and what they have to face. For the time being they are waiting for a lead from the federal government.

I am going to read a recommendation of the reconstruction and reestablishment committee which sat in 1943. That committee made a report on January 26, 1944, which had special reference to the maritime provinces. The report read as follows:

> Your committee has given a great deal of thought to the economic situation in the maritime provinces.

I shall not read the whole ten recommendations. The second one read as follows:

> Through assistance to the farming community, by the application of the provisions of the Prairie Farm Rehabilitation Act.

What our people want to know is what is proposed to be done in connection with our marsh lands.

I have a resolution which was passed unanimously by the legislature of Nova Scotia. There is also one I believe from the New Brunswick legislature. The Minister of Agriculture of New Brunswick came up and gave evidence before this committee. The premiers of Nova Scotia and New Brunswick came up and they gave evidence.

I shall quote a few sentences from the evidence of Doctor E. S. Archibald, director of experimental farms, Ottawa, who gave evidence before the reconstruction and reestablishment committee. At page 1026 of the evidence of that committee of December 2, 1943, he said:

> There are seventy thousand acres of improved marsh land, and as stated the farmers are really not in a position to rehabilitate this themselves.

I shall skip some of his evidence and go down to the bottom of the page where the following appears:

> As Mr. Black knows, surrounding all the marsh lands in the upper reaches of the Bay of Fundy there are good uplands which have gone back to scrub and woods, probably in acreage twice that of the marsh lands themselves. I cannot think of a rehabilitation job that is more potent as a basis for land settlement than a broad scale approach to this question of marsh land improvement.

Doctor Archibald has given a great deal of time to this subject, and has made many investigations at the Nappan experimental farm. He said further:

> When one looks at the problems of post-war settlement in the clay belt of northern Ontario of a few million acres, the grey bush soils in the three prairie provinces, the Peace River district, central British Columbia, the area adjacent to the Alaska highway, getting further and further away from the centre of population, further away from existing social services, to think of neglecting the possibility of rehabilitat-

ing good lands on the seashores and in the valleys of Nova Scotia appears to me to be ridiculous.

I turn to page 1027, where Doctor Archibald said:

Then I think it is up to the government to establish a real sound live stock policy. This matter of selling hay has been the ruination of marsh land, and a good sound live stock policy which ties together both the upland and the marsh land to me is the real salvation of the situation.

Doctor Archibald is a man of wide experience, and commands the confidence of agriculturists all over Canada.

I now turn to the evidence of the Hon. A. S. MacMillan, premier of Nova Scotia. He said, at page 1020:

If our marsh land is abandoned and not reclaimed and made useful to agriculture in the maritimes, you may as well wipe out any prospect of raising stock and dairy products in Nova Scotia; and if it is going to be done, it should be done now.

You could not have a stronger statement than that. A little later on he said:

It costs considerable, even if the main arteries were open—and you know something about the cost of opening these arteries, the cost of maintaining them, the cost of keeping open the laterals—which are just as important as the main arteries—is quite expensive; and then the cost of keeping up the dikes.

I shall not read any more from this extensive evidence. We have had many resolutions from boards of trade and municipal councils. I hold in my hand a resolution from the Cumberland county municipal association passed on January 28, 1946. It says:

Whereas several thousand acres of dikeland are in danger of being lost to the sea, several hundred acres already lost;

and whereas the loss of these fertile tracts cause many farms to become too small to be profitable productive units;

and whereas the main drainage vents are clogged with rushes, and sediment owing to scarcity of labour for regular ditching;

and whereas these conditions are causing a great loss in production and assessment;

Therefore be it resolved that the municipal council of Cumberland, in regular session on this twelfth day of January, A.D. 1946, hereby respectfully petition our provincial and federal governments to render early assistance.

A resolution placed on the order paper in 1946 by the senior member for Halifax (Mr. Isnor) is expressive of the general interest of those in public life in Nova Scotia. I shall not read the preamble. The body of the resolution reads:

Therefore be it resolved,—That, in the opinion of this house, in any programme of reconstruction, rehabilitation and development, the government should take into consideration the advisability of developing that tract of marsh land, consisting of approximately 100,000 acres located along the head waters of the Bay of Fundy in the counties of Cumberland, Nova Scotia and Westmorland, New Brunswick.

And he might have said, the counties of Colchester, Hants, Kings, Annapolis and Albert in New Brunswick.

I have another resolution from the Colchester county council. I do not wish to delay the committee by reading it all. It is a long resolution. The preamble sets out the general conditions, and this is the substance:

. . . we endorse the resolution as presented by the committee of the Colchester county marsh owners' association, and also that this municipal governing body put itself on record as heartily favouring the efforts of this association in every respect.

In my opening remarks I said that the marsh owners and the provincial governments are waiting for action from the minister, the Department of Agriculture and the federal government. I am going to read a letter written by the present Minister of Agriculture in Nova Scotia, the Hon. A. W. Mackenzie, to Mr. E. B. Faulkner, who is secretary of the Colchester County Marsh Owners' Association. This letter is dated April 29, 1946, in answer to a letter from Mr. Faulkner, and states:

I have your letter of recent date with reference to marsh land rehabilitation. We are at a loss to know just how to move in this connection, due to the fact that for four or five months we have expected that the federal government would establish a new marsh and drainage act which would apply to eastern Canada in very much the same way that the Prairie Farm Rehabilitation Act applies to western Canada.

The ministers of agriculture of eastern Canada have discussed this with the federal minister, the Hon. J. G. Gardiner on a number of occasions, and in our last discussion in December, Mr. Gardiner stated he felt this would be prepared at the present sitting of the federal house. Recently I have been advised that the bill has been prepared, and that it will be presented soon.

You can readily realize that it would be practically impossible and certainly very impractical for any of the eastern provinces to go ahead on a temporary marshland assistance policy if there was a chance in the very near future of having a policy which would allow for complete rehabilitation by joint financial assistance of federal and provincial governments and the owners.

I trust that now that you know the facts you will agree that our procedure is correct, and I hope we will be able before many months to establish a policy which will meet the requirements of the operators of your association.

As the hon. member for Colchester-Hants pointed out, this is no longer a hand labour job; the farmers cannot do this work alone. It has to be done by machinery, and all agree that it is necessary to have government assistance.

As I said, anyone who has given any thought to this subject is in favour of some assistance along the lines of the Prairie Farm Rehabilitation Act, to reclaim, drain and protect these marsh lands. But the condition continues from year to year. The report and the evidence were submitted back in 1943; here it is 1946, and nothing has been done.

The minister of agriculture in Nova Scotia wants to do something; he wants to see something done. He realizes the important of this work, and is waiting for action from the federal government. We should be told by the minister what is going to be done. Let him tell us what the policy of the federal government is going to be. I take it for granted, from statements he has already made, and from what he said the other day, which I have already quoted, that he is sympathetic. But the fact remains that there is no declaration of policy. The people in the provincial legislature and the municipal councils do not know whether anything is to be done or not. Members in the previous parliament were unanimously in favour of federal action in the matter.

A few days ago an hon. gentleman in another place said, on a discussion respecting the expansion of parks in the west, that while we had offered lands in the east, it was not included in the bill; simply because it was in the east it was considered unnecessary. That feeling is growing. It cannot help but be looked upon in that way by those who are interested in these marsh lands.

I should like to hear an expression of opinion from hon. members in other parts of Canada. Do they want the same measure of justice and fairness and equality handed out to the eastern provinces in connection with agriculture? I have already referred to the large special appropriations made for western Canada. In the vote we are now discussing there is an increase from $2 million to $3 million, an increase of 50 per cent. Then, there are several other large votes for the assistance of the western provinces. I am not going to object to that, although I did say last year that if something comparable was not done for the east, I would vote against these expenditures for western Canada. I am not going to do it to-day, because I am still hopeful the minister will make a declaration of policy, and that in the supplementary estimates there will be a vote sufficient to enable work being done in the part of the country about which I have been speaking. I am hopeful that a policy will be agreed upon by the federal government, the provincial government and the marsh owners, whereby the marshlands at the head of the Bay of Fundy can be protected, reclaimed and brought into a high state of cultivation.

This affects not only marshlands. As Doctor Archibald and everyone else familiar with agriculture realizes, it means the well-being and the future success of agriculture in the uplands adjacent to these marshlands. They require the products from this fertile marsh country, where three to four tons to the acre of the very best timothy and clover can be grown.

Mr. IRVINE: How much land is involved?

Mr. BLACK (Cumberland): Roughly speaking, 100,000 acres. The whole area which might be described as the marshlands might total 150,000 acres. Doctor Archibald has said that 70,000 acres are now growing crops.

Mr. BLACKMORE: What is the estimated cost of doing the work the hon. member wants to have done?

Mr. BLACK (Cumberland): As the hon. member for Colchester-Hants has said, it would require an appropriation of a few hundred thousand dollars—perhaps $400,000 or $500,000—for a few years. These dikes and aboideaux which protect the marshlands from the sea have not been kept up.

Mr. GARDINER: It would be $4 million or $5 million.

Mr. BLACK (Cumberland): The dikes should be recapped and strengthened, and the aboideaux should be strengthened. Drainage channels should be cleaned out. They are filling with sediment and vegetable growth. The large lateral ditches should be cleaned out. This is a machine job; the farmers cannot do it. Then, smaller ditches will have to be made; and that, too, would now be a machine job, although it used to be done entirely by men working with a small marsh spade, who made a specialty of that type of work. Then the land should be ploughed and seeded. Although this is fertile land, it would be benefited by the addition of lime and a small amount of nitrogen fertilizer.

The experimental farm at Nappan, which is under the direction of the minister, and more particularly under the supervision of Doctor Archibald, has made experiments and obtained satisfactory results through the addition of lime and fertilizer. The result has been that they get an average of 3 to 4 tons of the best feed hay for stock purposes from these lands.

There is much more I could say, but I make this appeal to the minister and to hon. members from all parts of Canada, to use their influence to see that some action is taken.

If nothing is going to be done, if there is no hope, if it is against the government's policy, if there is something holding it back or preventing its making a contribution or a declaration of policy, then let the minister make a statement so that the marsh owners, the provincial legislatures and the ministers of agriculture will know what the situation is. We want some declaration of policy.

Mr. GARDINER: Let me go on and I will give it to you. This question of the marsh lands has been a live issue for many years. I do not know how long it was a live issue before I came to Ottawa, but it certainly has been ever since. I understand that the hon. member for Cumberland, who has just spoken, was in the government of Nova Scotia at the time the matter first became a live issue here. This question is one of many that arise across Canada in connection with responsibility of the provinces or where a province finds itself in the position of having to do a job and not being able to find the money with which to do it.

This matter is clearly one of provincial responsibility, and it always has been. The province has legislation governing drainage, just as other provinces have similar legislation, particularly those in the west. The governments of Nova Scotia and New Brunswick have found it impossible to repair the dikes, some of which were built many years ago with the assistance of governments even outside of Canada when settlers were first going into these areas. The dikes have deteriorated and it has been found most difficult to obtain funds with which to repair them, through provincial legislation, municipal legislation or otherwise.

I have not the complete history before me, but many years ago these lands fell into disuse, partly owing to the fact that an active live stock industry which had existed in earlier days had gone backward rather than forward. The people of that area are not raising as much live stock now as they did a long time ago. Whether the fact that there had been a stoppage in the production of live stock was in some degree responsible for their not being interested in the marsh lands, or whether the fact that the marsh lands were not properly handled was responsible for live stock production going down, is a moot question. One could take either side of that question, but the fact is that the lands are not producing live stock as they once did or to the extent that they could produce.

In 1934 or 1935 an amount was placed in the estimates. This may have been done at the suggestion of the government of Nova Scotia when the hon. member was a member of that government, or it may have been done at the suggestion of Doctor Archibald, who was then and still is the head of the experimental farms. He comes from that section of Canada and, as has been suggested, he knows this problem perhaps better than anyone else in Canada. He has always been a strong advocate of putting these lands back into production to the same extent that they were in an earlier age. I made my first trip to the maritime provinces in 1936, the year after the vote had been placed in the estimates. The vote was to permit some work being carried on by the experimental farm down there to determine whether or not these lands could be brought back into the production they had been capable of in an earlier day. Doctor Archibald was with me, and we went over the land together and decided to go ahead with the experiment. The experiment was conducted, and I think it was three years ago that I went back with Doctor Archibald to look at the results of the experiments. I think I can say without fear of contradiction that there was easily three times as much alfalfa growing on the land that had been properly drained and cultivated by the experimental farm as there was on land immediately across the fence. That proved to my satisfaction that this is a job that ought to be done.

We are looking for land upon which to settle men coming back from overseas, upon which to settle persons who are coming from the over-populated areas in other parts of the world, and upon which to settle the sons and daughters of our farmers in different parts of Canada who still wish to carry on in agriculture. Doctor Archibald was with me on that second visit, and I agreed with him when he said that there was no place in Canada in which a better job could be done, where money could be spent to better advantage than to take care of these marsh lands and make them produce as they are capable of producing. I think everyone who is familiar with the situation will agree with me when I say that that job ought to be done.

The fact is that there is responsibility on at least two authorities, but when we discuss the matter with the provinces they maintain and insist that there must be responsibility placed upon a third group, namely, the people who are on the land. It is all very well to say that the leadership should come from Ottawa; the fact is the leadership, with our constitution as it is, ought to come from the provincial government. There is a reason for the provincial governments coming to Ottawa and saying that we should assist, but the leadership ought to be with the provincial governments.

I am inclined to believe that the leadership has been with the provincial governments. They have been urging the matter and insisting that something ought to be done. I think that hon. members who have discussed the matter up to the moment might have said that something has been done. We have been operating on these lands for the last three years under an arrangement made between the provinces and the federal government. We have been spending some money—not as much as I would like to see spent—the provinces have been advancing part and the farmers themselves have been made responsible for the payment back of some of it.

Mr. BLACK (Cumberland): The expenditures that have been made have been only for emergency repairs of breakages in the dikes.

Mr. GARDINER: That is just what I was going to say. Those are the only kind of expenditures that can and ever will be made under a three-way arrangement. It is all very well to argue that we should go to the provinces and say, "You give us fifty per cent of the cost." What will happen is that they will go to the municipalities or to the individual farmers and say, "We will spend dollar for dollar with you." It would all be based on what the farmer or the municipality could spend. The amount that the municipality or the farmer can spend, multiplied by three, will not do the job at all. We may go to start to build a dike with $100,000 or $50,000 and be able to do only half the job when the season is over. Then it is all washed out and we might as well not have spent any money at all. That is what has happened on two or three occasions.

The position the government finally took was that this was one of a number of problems that should be submitted to the dominion-provincial conference, that there should be a decision upon it. This policy did not apply only to this particular job; it applied to the P.F.R.A., to road building, and to many other things. I believe the hon. member for Cumberland was once minister of highways of his province, and I was once minister of highways in my province. At the end of the last war I directed the expenditure of Saskatchewan's part of the $20,000,000 which was voted for road work. Long before I got through spending that money I came to the conclusion that we were wasting the greater part of it because of the necessity of getting undertakings between Ottawa and Saskatchewan. I venture to say we have wasted much energy and a considerable part of the money voted for this project by the fact that we must sit down and discuss it with the municipalities and provinces before anyone starts to do anything, so that by the time we get started the season has passed, and, this country being so far north, the opportunity is gone to do anything worth while. As a result of that experience I have maintained and still maintain that the job ought to be done by some one government, and that some one government ought to have control of sufficient money to do it and do it properly. If there is to be an understanding arrived at with regard to maintenance, let that be undertaken also.

But so far as doing the job is concerned, what I have been suggesting from the very beginning is that the federal government ought to recondition these dikes and clean out the main ditches—that is if we are to take on any part of the work. We should go ahead and do the main job which is to protect the land, and then someone else can do the rest of it. But my difficulty when I approach the treasury to get sufficient money to do that has been to get someone else who will take the responsibility for making use of the lands after the money has been spent. The treasury will say: What is the use of spending four or five million dollars or even two or three hundred thousand dollars blocking up a few holes and cleaning out a few ditches and taking out some rotten abutments and putting in new ones in certain places and leaving the job undone somewhere else, so that the water gets in behind and undoes all the work you have done and the expenditure you have made? Someone has to take over the job in a big way and do it in a big way and get the main part of the job done.

I had hoped when the dominion provincial conference was called that we should get this question settled this year. As has been stated, an act was drafted, in fact two acts. People who know their own problems perfectly but do not know the problems in other parts of Canada are continually making statements in this house with regard to those other parts which are unjustified. I had occasion a few days ago to say something with regard to freight rates, as related to the shipment of grain from western to eastern Canada, in defence of those who live in eastern Canada, and those who were discussing the question and relating it to the western P.F.R.A. did not really understand the position. I know what my hon. friend from northern Manitoba, who has been waiting to get into this discussion, is going to say. He is going to say that the line over which we do not go runs right through his constituency, and that a considerable part of his constituency does not come under the P.F.R.A. Every member from

northern Manitoba is going to say the same thing, as well as every member from northern Saskatchewan and northern Alberta, because they are not taken care of by P.F.R.A. There is just the Palliser triangle, which takes in a little of Manitoba, a considerable area of Saskatchewan and about one-third of Alberta and we spend this money within that area. The men who live north of that in western Canada will join with the hon. member for Cumberland in saying that they ought to be taken in too, and so will every other part of Canada.

But there is a good reason why the government took in the Palliser triangle. It was the Bennett government that did it, and the reason was that people had been put into that area. As a matter of fact they were put in there against the advice of Mr. Bennett who was in provincial politics in Alberta at the time it was done. He opposed the putting of people in that area. It was also opposed by others in western Canada. Later Mr. Bennett found himself, as leader of the federal government, confronted with the problem of dealing with the 1,000,000 people who had been put into that area by the federal government against his own advice and against the advice of others. He said that these people ought to be assisted in getting reestablished on that land, and I agreed with him in taking that position. But hon. gentlemen will see that that problem is entirely different from the problems in most other parts of Canada. The problem in the maritime provinces which we have been discussing existed before there was a Dominion of Canada. It came to us when the provinces joined confederation. But the Palliser triangle problem was one which we ourselves created, and therefore Mr. Bennett said that the federal government ought to finance the reestablishment of those people who had been put in there by the federal government against the good advice of some people.

What I want to emphasize is that there is just as much opposition to applying this assistance only to the Palliser triangle in western Canada as the opposition we heard only a few moments ago from the hon. member for Cumberland to this assistance not being applied to Nova Scotia and New Brunswick. We should all get together and agree. We are not battling one another. We are not criticizing anything being done in any other part of Canada. But here is a job that ought to be done, and it requires a great amount of money which can only be provided by the federal government. This being so, we ought to do something about our constitution. In the conference, instead of talking generalities that do not solve very much, we should try to get a question like this settled. But people like to go to these conferences, as they go to international conferences, where very often they discuss things that do not solve very much. They talk generalities. We tried to get this question before two conferences. We tried to get permission to sit as a special committee and discuss this question with the conference and make recommendations on it. But other questions were regarded as bigger and more important. I personally do not think they were bigger, but some people thought they were. The governments discussed other matters and went home and left this question entirely unsettled, as well as similar questions on which we probably could have reached agreement in a week if we had got together and discussed them instead of discussing simply theoretical questions.

As I said, I had two acts drafted. One was for the four western provinces. The name would have to be changed; it would not be prairie farm rehabilitation, but simply rehabilitation. If that bill had been passed by the house it would have covered the four western provinces. Another bill was drafted to cover the five eastern provinces. We had intended to have the administration of the act dealing with the western provinces centred where it is now, at Regina, and the administration of the other act centred at Ottawa. They deal with two completely different problems. One deals largely with drought; the other deals with too much water, and in British Columbia there is a combination of both because there are areas in that province which need diking, and other areas which need irrigation; and sometimes these areas are only five or six miles apart, depending upon where the range of mountain lies.

These problems exist right across the country, and we believe that there ought to be agreement in the first place on certain sources of revenue being open to the federal government which are now tapped by the provincial governments in order that we may have the means to do these things. Then we ought to have a division of authority to make it possible for us to spend the money in these areas. I have been going to provincial conferences ever since 1922, and there have not been very many decisions arrived at in all that time; but I am still hopeful that while I am alive and in politics we shall reach a decision on some of them, and if we do, I can guarantee to the hon. member for Cumberland that we shall give leadership in the problem, just in the same way as we have given leadership in connection with the Prairie Farm Rehabilitation Act. But the first thing I had to do in

connection with P.F.R.A. when I came here, to get anything done, was to refuse to go and discuss everything that came up with some other authority and obtain agreement before we could start. Under that policy we would never have got anywhere in regard to P.F.R.A. We said, "We have a certain amount of money and we are coming in to spend it. We would like you to help us in connection with spending it, if you will; if not, we shall come in and spend it without your help; but if you will help us we shall be able to do that much more for you." That explains what some hon. members are going to ask me with regard to different provinces in western Canada. But if we can get into that position in relation to this question I guarantee that, if I am here, I will bring the legislation down. It is drafted, it is ready to come down, and we will go ahead with that job in a manner which will bring it to a successful conclusion and will achieve results such as are desired.

In the meantime there is no use of my saying that that is the only policy we have. We shall have to proceed with a policy which is not ours at all and cannot be ours. It is a policy in which the leadership has been given by the provinces. The position has been: We have so much money to spend; if you will put dollar for dollar on it then we will go ahead and do the job. The only mistake we have made so far in connection with these expenditures is that we have not determined definitely who has the authority in connection with them, with the result that, instead of spending the amount of money we set out to spend, sometimes we have spent double the amount, and we have not achieved the results we started out to get. So I say we will go along and deal with these matters as we have had to deal with them under the condition which exists. I would have had money in the estimates this year had these estimates not been prepared prior to the dominion-provincial conference. Since the conference did not make decisions, and we are left where we were, I have had to withdraw the legislation for this session, but I did it on the understanding that money would be available to go ahead with undertakings as between ourselves and the maritime provinces, to continue the work in connection with these marsh lands in Nova Scotia and New Brunswick, and I have had those understandings, as has been suggested by the ministers concerned in those two provinces. We have had a lot of correspondence and much discussion about it, and have reached conclusions we had hoped would materialize in the form of legislation. That has not happened, and I am afraid we shall have to go back to doing this year what we did in two or three previous years—enter into an arrangement between ourselves and the provincial government under which some responsibility is placed on the farmers themselves. It will not get the results I had hoped for, but it is the best that can be done under a system whereby there must be some agreement reached with the provinces.

I would like to repeat that I think it will take four or five million dollars, spent just as rapidly as it can be spent. The work cannot be done by spending $100,000 or $150,000 year by year; I think, when we do that job, to do it right we shall have to have a considerable amount of money voted, perhaps to be spent in two years but certainly in not more than three. We ought to go right through with the expenditure and reclaim those lands, put the dikes in as they ought to be put in, put in the main ditches, and then have some scheme under which we can get the farmers to cultivate and fertilize the land properly and produce from it as it ought to produce. The only way they will ever do that is under such conditions as many hon. members have been emphasizing in the debates on agriculture during this session: if we can create a situation under which they can market their product at a reasonable return, one which will induce them to produce enough live stock to feed themselves in that section of Canada, a thing they have not done up to the present time.

Mr. HAZEN: Mr. Chairman—

Mr. ZAPLITNY: Mr. Chairman—

The ACTING CHAIRMAN (Mr. Golding) The hon. member for Dauphin has had his name on the list. I wonder if he would allow the hon. member for St. John-Albert to close the discussion on the marsh lands.

Mr. HAZEN: Mr. Chairman, I do not want to close the discussion, but there are one or two questions I would like to ask the minister about the marsh lands in New Brunswick and the work which has been done there in 1944 and 1945. This afternoon the minister made an interesting and, I think, valuable statement about those marsh lands. Last year, on December 8, I said, when speaking on this matter—*Hansard,* page 3193.

I understand that last year —

That was, in 1944.

—in New Brunswick about 5,000 feet of dike were constructed under a plan whereby the owners paid one-third of the cost, the provincial government paid one-third and the dominion government paid one-third, and that this year about a similar length of dike has been constructed under the same plan. If I am wrong in that, perhaps the minister will inform me.

Mr. Gardiner: That is right.

In connection with that work I would like to ask the minister if he is in a position to inform us whether a written agrement was entered into between the parties in 1944; that is, between the dominion government, the provincial government and the land owners. If there was such an agreement, will he tell us what it was, or put a copy of it on the records of the house? If there was no written agreement, was there a verbal agreement, or on what terms was the work carried on? I have the following further questions:

Was the work which was undertaken in 1944 completed? How many feet of dike were constructed or rebuilt, and how many aboideaux were constructed in 1944? In 1944 was all the work which was planned completed, and did it stand up? Who did the work in 1944, and who supervised it? Did the dominion government or the provincial government—that is, the government of New Brunswick—supervise it, or who looked after the construction that was done? What did the dminion government's share of this work cost in 1944? Can the minister tell us what amount was paid by the provincial government—that is, the government of New Brunswick—and what amount was paid by the land owners? Did the dominion government or the provincial government collect the cost of the undertaking and pay it over to the contractor or whoever did the work? Has all the cost been collected; that is, have all the people who agreed to contribute to the work paid their share? If not, how much remains to be paid? I am speaking now of the year 1944. I would also like answers to these questions as applied to the year 1945, that is last year. My final question is, where in these estimates do we find the expenditures on those marsh lands for the year 1944?

Mr. GARDINER: I must ask the hon. member to have the questions which he has asked remain on *Hansard* as notice. As a matter of fact, I am not in a position to answer personally the last question that has been asked. The moneys will not be found in my estimates. They will be found in the estimates prepared for special works during the war period, and I am not certain at the moment whether they come within the estimates of the Minister of Reconstruction or those of the Minister of Finance. They will be under one or the other. The money is provided in that way. They appear as individual items but not as a bulk vote having to do with the war. In any event, the amounts can be obtained and I will see that the questions are answered in detail.

However, to answer in a general way, let us take first the question as to whether there was an agreement. There was correspondence and there were meetings and delegations of representatives of the provinces and of the farmers concerned as well as of the federal government, and a committee was set up of which I believe the superintendent of the experimental farm at Nappan was chairman. He is an employee of this department, though he was not acting as such. He was selected as one who knew the problem and had detailed information regarding it, and he was made chairman of the committee. There were also on the committee representatives of all those concerned—I have not the names before me—and they were instructed by the provincial and federal governments to go ahead and supervise the expenditure of a certain amount of money to do certain things. That money was expended, and when the total had been expended it was found that it did not cover the cost. Some works that had been done were washed out and had to be redone.

Mr. HAZEN: Was an investigation made into that? It must have been somebody's fault.

Mr. GARDINER: There was an investigation, but I do not know that one can say it was anybody's fault. As I said a few moments ago, it is impossible to take $100,000 or $150,000 and start to build these dikes if you wish to construct them properly. If you instruct the engineer to take $150,000 or perhaps $100,000 and do the best he can and he does the very best he can, and then it is found that as a result of an extraordinary wave coming in something happens, I do not know that you can blame the engineer or say that somebody is to blame for it. In any event the matter was gone into and there were losses in connection with it. The question raised a moment ago is precisely the question that I raised. I do not think that kind of job can be done under dual authority, because there is no one responsible when two or three people are giving orders.

Mr. MacNICOL: I agree with the minister.

Mr. GARDINER: If there were on the job an engineer who was not employed by the federal government and we were paying half the cost, or, vice versa, if an engineer was employed, not by the provincial government but by some other authority, and they were paying half the cost, it would be the easiest thing in the world in an argument to slip out from under, and say, "We are not responsible." We did not maintain that position. We said, "All right. The expenditure must be made

and we will take our share of the extra expenditure, whatever it may be"—and the figures will be indicated in the answers to the questions that have been asked. At any rate, it is because of that kind of experience that I made the statement I did a few moments ago, that if we are to do this job as it ought to be done, and as the hon. member for Cumberland and other hon. members from those areas want it to be done, we should find some way of placing the funds in the hands of a responsible authority, and it would be best if that responsible authority were the federal government. We could then go ahead and do thoroughly the part of the job that must be done before the rest of it can be undertaken. If we start on that basis we shall accomplish something. I am prepared to admit, without answering in detail, that the plan under which we were proceeding, as it was carried out, was not the plan under which we should have operated. We must find a better way of doing it, and it was in the hope of finding that way that we were bringing down the legislation and trying to get all the problems properly under control.

Mr. BLACK (Cumberland): It was repair work.

Mr. GARDINER: It is difficult to repair a dike without rebuilding it.

Mr. HAZEN: There is one other matter in connection with the dikes in Albert county. I refer to a local situation that exists at Hillsborough, which is the largest community in that county. I will not go into details, but one dike went out and the result of the whole thing was that the Canadian National railway in that section was undermined; the road that leads to the cemetery was washed away; the main road that runs from Hillsborough to Surrey was in danger of being destroyed, and the plant of the Canadian Gypsum company, a very modern plant, was put in jeopardy. As I understand the situation, a meeting of the parties interested was held.

Mr. GARDINER: That is right.

Mr. HAZEN: I am informed that an agreement was reached about rectifying that situation which affects that one community. Was an agreement reached on the part of the Canadian National or the dominion government—I understand they had already spent between $20,000 and $30,000 on account of the damage they suffered—the provincial government, whose roads were affected, the Canadian Gypsum company, whose plant was also affected, and the marsh owners themselves? Was there an agreement with regard to repairing that particular section of dike in order to protect the various parties interested?

Mr. GARDINER: Speaking again from memory, I believe that the province did investigate the damage done and the expenditures that were required and that was submitted to investigation by persons representing all the parties concerned. Finally an understanding was reached as to what ought to be paid by each party to the arrangement. My memory is that our part of it was about the same amount as we undertook in the first place. It was a three-way arrangement and I would not wish to bind myself to a few thousand dollars. We may have gone farther in one direction than some thought we should have gone, or not as far as others felt, but that was the basis on which we set out.

Mr. HAZEN: Does the minister know who will supervise the work? It should be done this coming summer. The work should be undertaken as soon as possible, and it should be put through in the summer or it will again be washed out and the moneys put into it will be lost.

Mr. GARDINER: The definite action that was going to be taken was awaiting this legislation; but I have insisted, and I think the government agrees with it, that either the province or ourselves, one or the other, must take absolute responsibility for carrying on the further work there; that if we undertook the responsibility then the province must turn the money over to us and we will go ahead. If the province undertakes the responsibility then we will turn our money over to them and they will go ahead and take responsibility from that point. Whatever money is advanced is advanced, and that is the end of it. If we do things that we should not have done under arrangements with the province we shall have to pay for it. If they do the job and something happens that was not anticipated or because of the fault of anyone, then they will probably have to do the paying. I think it should be either one or the other and we should get ahead with the job and have the whole difficulty cleared up.

Mr. HAZEN: It is important that the work be done this coming season if it is at all possible.

Mr. GARDINER: I agree.

Mr. HAZEN: If it is not done you will have to do it all over again.

Mr. GARDINER: I agree with that. When I spoke a moment ago I should have said that later on in the supplementary estimates there

will be appropriations brought down either by myself or by someone else to take care of the work which must be done there, and I hope this will be brought down shortly.

Mr. BLACK (Cumberland): I appreciate the statement of the minister, but this is an appropriation to deal only with emergent repairs. The main policy, if properly put into effect, would bring about conditions which would do away with the necessity of expenditures for repairs; repairs would not be necessary. In the last few years no work has been done until the dike is broken and the aboideau goes out. Practically all the dikes have weakened or the aboideaux have weakened; the canals and drainage ditches have filled up. With a general policy for new work and the money properly expended it will not be necessary to make these repairs at all. We want a general policy. I appreciate the statement of the minister and thank him for the undertakings he has given. But the fact remains that no immediate action is being taken.

I agree with the minister that some body should be set up which would carry the responsibility. That body should have the confidence of the marsh owners and the provincial governments as well as the federal government. It might be a commission, or, as the minister suggests, it might be carried out entirely by the federal government with the provincial governments and the marsh owners making their contributions.

What we should like to have is an expenditure of at least half a million dollars, and that it be made available this year. We should also like a policy arrived at which would be satisfactory to all concerned, and which could be carried out in the next five or ten years. That is a long-term policy. The success of agriculture and stock raising in that whole area depends on it, and that policy should be arrived at without any further delay. What is grieving these people who are interested is that this matter has been discussed and no policy has been decided on. Any expenditure that is being made is with respect to emergent repairs after the damage is done.

Mr. ZAPLITNY: As the Minister of Agriculture said a few moments ago, I have been popping up and down regularly since this discussion began. However, I understood there was some urgency in the matter of the Nova Scotia marsh lands and on this occasion I was happy to give way to the hon. members from that area who wanted to speak on it.

In the past there have been suggestions and complaints that when the estimates of the Department of Agriculture are before the committee, western members monopolize all the time; therefore on this occasion I thought we should show our good-neighbour policy and give them an opportunity to discuss their matters.

The Minister of Agriculture was kind enough to make half of my speech for me; therefore I shall not have to burden him very long, but there are a few matters in connection with prairie farm rehabilitation with which I wish to deal. I think it is clear to all hon. members of the committee that it is not only a matter of prairie farm rehabilitation but a matter of rehabilitation generally across Canada.

Last fall I had a discussion with the Minister of Agriculture and brought up the question of the advisability of extending the boundaries of the Prairie Farm Rehabilitation Act. I do not know what is in the draft that the minister has prepared, but in the act as passed in 1935, and amended in 1937, 1939 and 1941, these words appear; they are the key words:

> The committee shall consider and advise the minister as to the best methods to be adopted to secure the rehabilitation of the drought and soil drifting areas in the provinces of Manitoba, Saskatchewan and Alberta.

Evidently the original purpose behind the act and, as it still stands, was to rehabilitate those areas which were known as the drought areas, and which are sometimes referred to as the Palliser triangle. But as the years went by it was found that there were other matters which entered into the question of drought; that is, there were certain other areas in western Canada which were not in the drought area, but which were becoming drought areas because no precautions were being taken to conserve the water or to conserve the texture of the soil. Something of that kind is in process of taking place in the constituency I have the honour to represent. That is why I pressed the question last fall and want to do so again.

On numerous occasions several municipalities within the Dauphin electoral district have made representations to the government—I believe years before I came to the house—to be included in the Prairie Farm Rehabilitation Act. I need only to quote from one of the resolutions to show what I mean. This resolution comes from the rural municipality of Grandview, and is in these words:

> Therefore it is resolved that the rural municipality of Grandview make application to the prairie farm assistance branch of the dominion government to have the rural municipality of Grandview included in the area which qualifies for financial assistance to farmers in the making of dugouts on farms.

The minister said that on the prairies it was mainly a problem of dealing with drought areas, and getting more moisture there. Within thirty miles of this same municipality which is appealing for assistance to make dugouts in order to obtain a supply of water we have a situation just south of the town of Dauphin where the very opposite is the trouble. There in the spring time we have flood waters which do a great deal of damage to the best farm land in Manitoba. I have already had correspondence with the Minister of Public Works and the Minister of Mines and Resources as to where the responsibility lies for doing something to control these waters which come down from the Riding mountain national park, which, in my opinion, and in the opinion of the municipalities concerned, makes the federal government at least partly responsible for the flood condition. It has a double effect, because in the spring time the water rushes down; the creeks overflow the banks and destroys or damages good farming land. Within a few months, in fact within a few weeks in some years, the water is all gone; the creek beds are dry, and there is not even a supply of water for the live stock in the area. They have evolved a plan whereby a number of controlled dams can be built at a fairly reasonable cost, so that the waters, instead of coming down in the spring and drying up completely in the hot days of the summer, can be so controlled as to provide a steady flow of water all through the year. I believe it is a worthy project.

I shall have more to say about national parks on another occasion. I would point out, however, that the condition has been caused largely by the fact that the timber in the national park has been denuded. When the timber was thick the snow which fell in the winter melted slowly in the spring time, and the water was controlled by nature. Then, beaver dams kept the water in a controlled state.

But since the timber has been removed by certain interests, the water now comes down much faster, with the result that we have flood conditions. I leave this matter for the attention of the minister. In passing, may I say I have every sympathy for those in Nova Scotia because of the condition which exists there. I know something about marsh lands.

I leave the plea with the minister that he ought not to delay the introduction of the measure he has drafted until agreement is reached with all the provinces. As I understand the situation, it is the break-down of the dominion-provincial conference that is delaying the introduction of the bill to incorporate the four western provinces under a new rehabilitation measure. I believe it will be admitted that the four western provinces which took part in the conference were willing to sign an agreement with the dominion. That being so, I can see no reason for delay in introducing a bill which would formulate an agreement for those provinces which are now willing to come to an agreement.

If the eastern provinces still have differences of opinion which they think must be resolved, then they may have to wait until such time as that is done. I believe the western provinces indicated their good faith at the conference, and are willing to come to an agreement. The minister has a green light to go ahead with the introduction of the bill.

Mr. STIRLING: The people of the irrigated section in southern British Columbia will, I know, read with a good deal of regret the minister's statement this afternoon that, consequent upon the adjournment of the dominion-provincial conference he does not believe it will be possible to proceed with rehabilitation work in that part of British Columbia at the present time.

The minister has received a brief submitted by the association of irrigation districts in British Columbia. I certainly shall not read it, but shall point out that its object is to urge the federal government to extend to British Columbia the terms of the Prairie Farm Rehabilitation Act, so that many veterans now settling in the irrigated areas may not be handicapped by inability to find land.

I shall place only one paragraph on record, because it succinctly states the case:

> There are in the Okanagan valley and immediate vicinity some 27,000 additional acres of arable land, mostly within, or adjacent to the present irrigation systems, which could be brought under irrigation at a cost of from $100 to $150 per acre. The increase in production from this acreage would eventually double the present production of the area, expand the towns to almost twice their size, and cause new towns to develop. The resultant production would provide increased employment and augment the available market for goods from the coast cities, from the prairies and from the east, just as the P.F.R.A. projects are improving our markets for fruit by assuring the prairie farmer a full crop, regardless of drought.

That states in a few words what is in the minds of farmers in the irrigated districts. The condition is not identical with the drought conditions of the Palliser triangle. But the land in the dry belt in the southern part of British Columbia is capable of producing very little in the nature of crop until irrigation water is applied to it. Then there is scarcely any limit to the crops which may be grown there.

Once that land is developed, as a good many tens of thousands of acres have been developed over the years, not only does it carry increased population, but it produces secondary industries. The increased population must be supplied with the necessities of life, and those requirements in turn cause business for the merchants, and freight for the railways. It is an area in which returned men are most desirous of settling. But the difficulty is that the land, so productive when irrigated, is valued at a high price. There are very few pieces of developed and irrigated land which fall within the terms of the Veterans' Land Act.

The consequence has been that endeavours have been made in the last two years to discover areas which can be irrigated at a cost that would not be too high, and which could then be turned over to veterans for purposes of settlement. There must be ten or fifteen veterans to every parcel of land which a veteran under the land act is capable of obtaining.

I have in mind three areas concerning which consideration has been given to the possibility of putting irrigation water on. The benefit of engineering advice from those connected with the Prairie Farm Rehabilitation Act has been received in connection with formulating schemes for putting water on the land.

I should like to learn from the minister his hopes and expectations in the matter, and whether next year we may look to rehabilitation expansion in that part of British Columbia.

Mr. CRUICKSHANK: Mr. Chairman, strange to say, I am asking, not that water be brought on, but that it be taken off. Cannot this procedure be extended to give protection to certain areas in the Fraser valley? Our trouble is that of keeping the water off, not on. We are asking only that the act be extended to protect us from flooding conditions in the river. Would the minister state whether, under the measure, we might expect to have our land protected from flood and flood erosion?

Mr. IRVINE: As the minister is likely to answer all our questions at the same time, perhaps I might now get in under the wire and ask one or two. I believe it would be a fine policy for some political party—I hope the Progressive Conservative party does not do it —to advocate that we export some of our drought from the west and import the surplus water from the east, thereby bringing about a greater balance.

The problem I would draw to the minister's attention is somewhat different from either the marsh lands problem in the east or the irrigation problem to which reference has just been made. The problem that arises in the Peace River block is different from either of these. In that district it usually rains sufficiently to provide them with crops and they are not troubled with floods. Their difficulty is to find sufficient water in wells for the use of their families and their stock during the summer. They are anxious to come under the P.F.R.A. in order that reservoirs may be built to hold the melting snow in the spring and thus provide sufficient water for their stock during the summer. I expect that the minister's answer, at least in part, will be something similar to that which he gave in connection with the marsh lands of Nova Scotia. Last year, when the matter was under discussion the minister said that he was referring the problem to the dominion-provincial conference. Certainly the question is still under reference and has not yet been settled. I should like to emphasize the point raised by the hon. member for Dauphin, that the minister should proceed with his legislation and then have the provincial governments pass enabling legislation later on in order to carry out the work which he has in mind.

Mr. CRUICKSHANK: I think this act should be extended to cover those of us who want to keep water off their land. In the Fraser valley our land is protected by dikes. In 1904 a dike broke and we built a new one which cost several hundred thousand dollars. I have had several questions about this on the order paper but I have not been able to get satisfactory answers. When the Canadian Pacific built their line running into the United States to connect with the Northern Pacific they claimed that they had built above the high-water line. They have never paid any diking tax, and the result has been that their land is protected from freshets at the cost of the farmers of the district, although at the present time their line is eight feet below the highwater mark. This branch line is one of the best paying lines in their whole system. I asked question after question about this but I was told that the government had no information. I presume the Canadian Pacific did not want to give out the information. Can the minister assure me that the farmers in my district will have every assistance in keeping water off their land? I should like to ask also if the minister can get me the information I want as to why

the Canadian Pacific are able to have full protection from floods at the cost of the farmers of the Fraser valley?

Mr. GARDINER: I think the questions which have just been asked are the best demonstration we could possibly have as to the idea that is held about what the federal government can do. The diking in British Columbia was undertaken as either a provincial or a municipal responsibility. The taxes just referred to by the hon. member would not be collected by this government. Those who replied that they had no information were making the only posible answer. If we are to start in to try to get information with regard to municipal and provincial taxes in order to answer questions I am afraid we will be very busy and we shall be attempting to keep other people very busy when we have no authority over them. I think the proper place to get that information would be the provincial government, some municipal organization or any other organization that has been set up to handle the collections having to do with diking. It certainly would not be the Department of Agriculture, because that matter would have nothing to do with these estimates. Therefore I am not in position to answer that question.

Dealing with the other matters, we should have nothing to do with diking in British Columbia unless we had special legislation such as I referred to a few minutes ago which imposed that responsibility. That special legislation probably will be forthcoming only if certain financial arrangements are made between the provinces and the federal government making it possible for some of the revenues which now go provincially to go federally. I may say that we are hopeful that some time that may happen.

When it was decided recently that this legislation would not be proceeded with this session I did ask that consideration be given to the possibility of our proceeding with works of a certain kind, under restrictions if necessary, to bring about some of the developments which we hope some day can be carried out under the type of legislation we have been discussing. One of these works is a project similar to the one referred to by the hon. member for Kootenay East.

There is one project in the Pemberton river area which I know quite well. I am not sure just when it was put in there, but a soldier settlement was put in following the last war. I do not know of any more naturally beautiful spot that that one; but unfortunately the river, which is fed from a glacier, is quite close to the top of its banks at all times. The whole plain is built up from silt which has been carried down by the floods. All that is needed is for a tree to fall some night, as often happens, the silt form behind it to form a dam, and flooding occurs. Engineers have looked over this project and I have more details with regard to it than I have with regard to any other.

We have sent the P.F.R.A. engineers in there, and we have a report which would suggest that by blasting out some of the rock in the stream we can lower the level of the water and allow it to get away with greater readiness, and then by a certain amount of diking keep the river from flooding.

Mr. STIRLING: That is entirely different from the Okanagan; that is similar to the case mentioned by the hon. member for Fraser Valley.

Mr. GARDINER: The Fraser is quite different from the Pemberton; it runs through a different type of country and a different situation is created. The area is much larger. One reason for being interested in this particular situation was that they are all returned soldiers. We could not take exactly the same position with regard to the Fraser river, because that country has been settled for many years and municipal organizations have been built up. We had nothing to do with putting the people there, but we cannot say that about the Pemberton area. We put the returned soldiers in there after the last war and I think we ought to do something about it as a special case.

As to these other irrigation projects, one of them is only seven or eight miles from the Pemberton valley, just over the mountains in the Lillooet district, in the constituency of the hon. member for Kamloops. There is an irrigation project which could give good results. There are similar areas in the valley where fruit is grown. Putting water on a larger area would make it possible for many more people to live and sustain themselves there. These projects could all be considered under legislation such as we had hoped to bring down this session. While a project such as the Pemberton one could be proceeded with this summer, it would be most difficult to proceed with projects in the Fraser valley or in the Kootenay district without legislation.

Mr. QUELCH: I think all the people of western Canada have a high appreciation of the excellent work done under P.F.R.A., specially in regard to small water projects and in regard to the surveys which have been made by the P.F.R.A. engineers in connection with larger irrigation projects.

I have a great deal of sympathy for the problems put before the committee by the hon. member for Cumberland. I should like to see the P.F.R.A. extended to every province. I recall that when this question was before the reconstruction committee which sat for two or three sessions, a recommendation was made to that effect. We were investigating a number of worth-while projects for the purpose of developing the resources of the country and thereby increasing the wealth of the country, and I think it was felt by the committee that these projects should be undertaken as national projects and financed by the federal government. Once the project had been constructed and completed, the maintenance would fall on the provinces and municipalities and the farmers concerned on a certain share basis.

We also discussed in the committee the problem of the salt marshes, and some of the witnesses pointed out that these salt marshes originated as a result of the farmers being unable to maintain their dikes because of depressed prices. While the maintenance of dikes may have been a provincial responsibility, to-day we all recognize that the maintenance of prices is a federal responsibility and that unless we maintain prices at a level which will meet the cost of production, it will be impossible for the farmers to carry on the necessary maintenance work. That is a good example of the devastation resulting from a depression or deflationary policy. We hear so much of the dangers of inflation, but we seldom hear of the terrible devastation caused by a deflationary policy. After the deflationary period has gone, we are left with a heavy capital depreciation, which costs many times more than it would have cost to maintain the capital in the first place.

The main criticism I have heard in the west regarding P.F.R.A. has been that they have not expanded their work rapidly enough. I realize that that is not really a criticism of P.F.R.A., but rather of government policy, because P.F.R.A. is dependent upon government policy for the amount of work they can do. Whilst the people are critical in that regard, they realize the impossibility of going ahead with these large-scale projects during the war, but they feel that, now that the war is over, no time should be lost in going ahead with them at the earliest possible day. There was a good deal of disappointment visible when the Minister of Reconstruction stated that these national projects would not be gone ahead with for two or three years, because the federal government was building up a shelf of projects to take care of unemployment in the future. However, I understand that the government's policy has been modified so that some of these projects may be started at an early day or are now being started. It is a very good thing that the government has decided to start the work earlier, because day after day we are told of the tragic plight of people in Europe and Asia as a result of the shortage of food; and while this condition is largely, I believe, the result of the war, nevertheless it has been aggravated considerably by a number of crop failures throughout the world. This condition is not only tragic but an extremely dangerous one, because one of the main essentials of a sound peace is an ample supply of food. If we are to allow shortages of food to continue it will be that much harder to bring about a satisfactory peace in the world to-day.

This spring there was quite a general demand that we should increase wheat acreage in western Canada. The farmers were urged to reduce their summer-fallow in order to expand their sown acreage, but I think the Minister of Agriculture was wise when he advised against such a policy because the reduction of summer-fallow may easily bring about a reduction in production over a two-year period.

The only safe way to overcome drought is by irrigation. You may mitigate it by cultural practices, but in the final analysis the only way to overcome severe drought is by the application of water. In western Canada we have a number of rivers running through the parched lands and practically no use is being made of the water. We have rivers without a dam or a power project. The water of these rivers is urgently needed now to irrigate the lands in the drought areas, and no time should be lost in starting these irrigation projects, because we now have the men and, I believe, the machinery available, so that an early start could be made.

In past years—I am thinking especially of the thirties—when we discussed irrigation in this house we were met with these two main objections: first, the cost would be too great; we could not afford it; second, if we were to carry out large-scale irrigation projects we would increase the amount of farm produce and create surpluses. Dealing with the first objection, the financial cost, to-day we should realize that it is not a question of not being able to afford it but of not being able to afford not to do it. Let us consider the cost of failure to provide irrigation in some parts of the drought areas in western Canada. I shall give an example from my own constituency which no doubt could be duplicated in many other parts of the west.

In the constituency of Acadia, from 1918 to 1935, over $10,000,000 was paid out in direct relief, and from 1935 on many more millions have been granted in the form of seed and feed relief and under prairie farm assistance. Thousands of homes were abandoned and thousands of acres have become useless for pasture because of the lack of water.

Recently surveys have been completed by P.F.R.A. engineers of the Red Deer diversion project, which would involve an initial expenditure of $6,750,000. It would flood 1,200 miles of waterways and provide a reservoir to irrigate half a million acres and provide water for 8,000,000 acres of pasture. It would take probably another $7,000,000 to get the water from the reservoir on to the land. That cost, I take it, would be the joint responsibility of the province, the municipalities and the farmers, but the initial cost of $6,750,000 would be the responsibility of the federal government. The completion of this irrigation project would bring about a complete transformation of that area and bring prosperity where there has been want for many years. It will bring prosperity where there has been want for many years, and put that whole area to a very large extent upon a self-supporting basis.

Let us think what the result of the completion of that project would mean. First, there would be a tremendous expansion of production; second, there would be a great expansion of revenue for the government from that production; then, of course, there would be a great increase in the general well-being of the farmers in that whole area; and it would also mean a great reduction in payments of relief to the farmers. So that I do not think we can say we cannot afford that project; it might very well be said that we cannot afford not to carry it out.

In the thirties we used to hear a good deal about the danger of expanding our production and thereby creating a surplus. The tragic period through which we are going at this time should teach us a lesson that we should never forget. Never again, I hope, shall we be guilty of destroying food and allowing our resources to go to waste. One of the greatest resources we have in western Canada is water, which is going to waste day by day. I believe our aim and the aim of every nation should be to maintain a brimming pool of consumer goods; in the first instance, to maintain the well-being of our own people, exchanging our surplus goods for the surplus goods of other nations, and in the event that we can produce more than we need we would be in the enviable position of being able to assist nations less fortunately situate than ourselves, and in that way be making a great contribution to peace. If the governments of prosperous nations fail to live up to the principles of the Atlantic charter and the Hot Springs food conference, the outlook for peace in the world will be pretty bleak.

I should also like to issue this warning. If in the future as we expand farm production we allow that expansion of production to be an excuse for reducing prices we shall very soon find that production will be reduced. Unfortunately that is what has happened in the past. When farmers produced abundantly it caused a reduction in price, with the result that production was discouraged. So that, whatever policy we have in the future, it must be one which will make it possible to maintain maximum production and at the same time a fair price to the producer.

Since under this item we are discussing irrigation, I would urge upon the minister the desirability of bringing about the immediate construction of the various irrigation projects which have been surveyed in western Canada. If the war were still in operation, and these projects were considered necessary to the carrying on of the war, I do not doubt that they would be carried out, almost overnight. Unfortunately, just as soon as peace comes, we seem to suffer a form of creeping paralysis. I should like to ask the minister whether he can give any assurance that actual construction will be started on a number of these projects in western Canada at a very early day. When we were discussing this question on April 8, I think it was, the minister stated that he did not know whether it would be possible to do any actual construction work so far as the larger irrigation schemes were concerned; $750,000 was to be spent on the St. Mary's project, but he did not know whether any actual construction work would be done on the other ones. Could the minister give us any information on that point?

Mr. GARDINER: Last year we spent some money on the St. Mary's dam project in the form of making surveys and checking on the engineering which had previously been done. This year we have in these votes $750,000 with which to proceed with construction. Tenders have been called for the construction of part of that work and contracts will be allotted within a few days in connection with it. As far as the Red Deer diversion is concerned, we have already taken from the $10 millions referred to, $115,000 for engineering and surveying during the present season. That has already been asked for and obtained by P.F.R.A. to proceed with that survey work. For the Saskatchewan river project $137,000 has already been obtained, and the survey

and engineering work in connection with these two projects is proceeding. It is understood, of course, by the hon. member for Acadia that ever since about 1938 we have been doing a certain amount of engineering work on the project. The engineering work which is now being done is the checking of that work by an expert. If he finds any fault with any of the engineering decisions which have been made he will indicate that further checks will have to be made in connection with it. If he finds that the engineering is satisfactory and the results which have been recommended are also satisfactory of course we shall proceed from there on the basis of the engineering work which has been done.

Mr. QUELCH: That is, with the construction?

Mr. GARDINER: Yes. I would hesitate to say that we shall be in a position this summer to call for tenders on the work, but at the moment I would not say that we would not be in a position to do so. That is, I would not say that we shall be, but there is the possibility that we may be able to do so.

Mr. QUELCH: There is a good chance of going ahead next year, then?

Mr. GARDINER: I think so.

Mr. ROSS (St. Paul's): I was very much interested in a remark made by the Minister of Agriculture to the effect that he was unable to bring down legislation in connection with doing a lot of this work. He said that he could not bring down these bills and do those things which are supposed to be done, because of the failure of the dominion-provincial conference. As a matter of fact, If I understood him aright, he stated that he has been deprived of certain sources of revenue. I should like to know what sources of revenue the minister has been deprived of. At the present time I do not know of any, and I do not think he should use the failure of the dominion-provincial conference as an excuse for not bringing down bills in respect of this work. He says that some sources of revenue should be taxed. What are the sources which should be taxed? I think he ought to give us a little more information about that and not merely lay the blame on the failure of the dominion-provincial conference. As far as the province from which I come is concerned, we are quite willing to help anybody.

Mr. CRUICKSHANK: Oh, oh.

Mr. ROSS (St. Paul's): Yes! Yes! Yes! That is right. We have been willing to do so, and the fact is right on the record. We can stand on our own feet. I should like to know what are the sources of taxation of which the government is deprived at this time. I repeat that I do not know of any.

Mr. GARDINER: I do not want to enter a discussion of that question. I am afraid that if we got on to that matter my estimates would never pass. All I can say is, my inference was that at the time of confederation certain responsibilities were placed on the provinces and certain responsibilities were placed on the federal government, and among those placed on the provinces were such things as drainage and diking and all those matters about which we have been talking. I think, when we get to the province of Ontario or any other eastern province, even the provincial government does not assume the responsibility in these matters; by legislation they have placed it on the counties and townships; and the row over the back fence about the ditch across a farm does not become a provincial matter but is a municipal matter.

Mr. ROSS (St. Paul's): That is right.

Mr. GARDINER: The suggestion is that we should take over some of these works which are now the responsibility of the provinces and conduct the developments from Ottawa. There would, of course, be a limit to the extent to which we could do that. If the provinces do not desire to have certain grants from Ottawa, we might spend that money direct instead of making the grants from Ottawa to the province and having somebody else do it. Speaking of some of the work we might undertake, such as diking in the maritimes, I can think of projects in Ontario related to black marsh lands—

Mr. MacNICOL: In Kent county.

Mr. GARDINER: —where we have been admiring live stock for some years and where we could grow onions and other things to good advantage. The undertaking, however, is too big for the farmer or the municipality, or, in some cases, for the province itself. It would not be too big for Ontario, because my hon. friend says they can stand on their own feet; but if we undertook such obligations in some other provinces, Ontario would expect us to do the same.

Mr. ROSS (St. Paul's): I do not think so.

Mr. GARDINER: They probably would. We could undertake this under a bill of the kind suggested. I wish to say that I was not making a criticism of any particular province.

Mr. ROSS (St. Paul's): The minister says that he has been deprived of certain sources of taxation.

Mr. GARDINER: In order to avoid an argument here in regard to the question, I will put the blame on the federal treasury and say that when I go for money to spend on such activities I have to face what the treasury will say.

Mr. ROSS (St. Paul's): The minister cannot say in this House of Commons that he has been deprived of any source of taxation, because the federal government is taxing in every field at the present time. That is the whole point. It is not a question of being deprived of any source of taxation. The minister cannot get away with that. There may be other reasons but he cannot lay the blame there.

Mr. CRUICKSHANK: May I ask the hon. member a question?

Mr. ROSS (St. Paul's): Sit down for a minute, please. The minister cannot blame the failure of the dominion-provincial conference for any lack of diking in New Brunswick or Nova Scotia, or for lack of prairie farm rehabilitation in the west. He has never heard any kick, as far as we are concerned, about money spent on prairie farm rehabilitation or on diking. I have risen in my place in the house and advocated it. The whole point is, however, that the minister cannot hide behind a subterfuge of that kind and suggest that the reason is that he is being deprived of a source of taxation, because he is not deprived of any source of taxation at the present time since he is in every field of taxation in this country.

Mr. McIVOR: It seems a long time since I last spoke on these estimates. I had a few words to say on item 13 on May 17 and that does seem a long time ago. A good deal has been said since then and it seems necessary to have good sitters and good listeners here. That in itself explodes the idea that we sometimes hear from some corners, that estimates are left to the closing days of the session and then rushed through. If anybody says that in connection with the Department of Agriculture there must be something wrong with his upper storey.

I congratulate the minister on the opportunity that may be presented for changing the policy from prairie farm rehabilitation to rehabilitation, because in our district we would like to have the drainage transferred from the province to the dominion. If that were done we would have a very fine district drained. It may not be the best potato land in Canada but I do not think it will take second place to any. I have been told by expert lumbermen that there is an extensive district in Savanne where, if the land were drained, trees that are now water-stunted would have an opportunity to grow and in a short time there would be at least 50,000 cords of wood available to be cut. It is encouraging to hear the Minister of Agriculture say that rehabilitation will take in all Canada. Therefore we shall be listening.

Mr. BENTLEY: I was hoping that the minister would anticipate my question and answer it before I rose, but he has not done so and I suppose it slipped his memory. There are two questions I wish to ask him, but first let me say that most of those associated with me will, I believe, agree with hon. members who have spoken for an extension of the prairie farm rehabilitation measure to rehabilitation covering other areas. Fortunately or unfortunately, as the case may be, I live in the Palliser triangle where the agreements are already signed and the minister has full responsibility and authority to go ahead. He started some time ago with the Duncairn project, and I am informed that very little work is contemplated this summer. If that is the case I urge him to reconsider the position, because it is important. It was important when it started, and it is not operating as it should at the present time. There are tremendous possibilities for that little area—I realize that it is small—and we would like to see the work completed as soon as possible.

The other point I wish to make is this. In some parts of the area out there, apparently assistance is not given in the digging of dugouts and the conservation of water for stock. Where such assistance has been given, it has been of great value to the farmers and has removed a great deal of worry from their minds. Without such help, it costs a farmer $250 and he cannot afford it. I would be glad if the minister would give us some idea as to whether it can be extended to help more farmers.

Mr. GARDINER: The whole question of extending the district is involved in what we have been discussing ever since we entered upon this item, namely, that the vote is for a specific purpose. That purpose is to take care of the area in which we had drought or drifting soil. When we get outside that area we have no authority, in the votes as they are, to spend money.

Mr. BENTLEY: I am speaking of the Palliser triangle.

Mr. GARDINER: There is no place in that area where we have not the authority to go and dig. We have about 15,000 applications in advance all the time.

Mr. BENTLEY: For dugouts?

Mr. GARDINER: Yes. We have dug some 22,000 and, digging between 3,000 and 4,000 a year, it will take five years to overtake what we have now. While some have made application and we have not gone ahead, it is because we could not get around to them.

Mr. BENTLEY: It is not a matter of policy?

Mr. GARDINER: No. It is not a matter of policy against doing it. As the hon. member knows, there are two dams constructed south of Swift Current. They are now holding what I sometimes call small lakes and the water is not being utilized to the extent it might be. Some people are inclined to say that is because we are not prepared to go ahead. We are prepared to dig ditches to make that water available as soon as there is organization at the other end of the ditch to use the water. But we do not see any point in digging a ditch from a dam fifty or twenty miles long across an area where the soil drifts and have it drifted full before anyone uses the water. The present position is that the provincial law provides for setting up irrigation districts, and we have stated that in that area there is a certain amount of water and a certain amount of land that can be irrigated, and we are prepared to co-operate in setting up districts that will permit a certain amount of the water being used by any irrigation organization which will make use of their proportion of the water that is available, without denying to someone else, two or three years hence, the use of water. We are in a position to give information as to how many acres within a certain area can be irrigated and have that divided among the farmers in that area, and we are prepared to put in a ditch to take the water to that area. But they must also be ditching for individual supply so as to run the water to their own land. We have assisted in many places in levelling land, and we will dig ditches as soon as there is enough organization at the other end to indicate that the water will be used when we take it there.

Mr. PROBE: I should like to ask a question with respect to the amount of appropriation for water storage for Moose Jaw and Regina. The minister is aware of our problem there. Moose Jaw is definitely short of water. They have not enough for ordinary purposes. In Regina we have reached the danger point with respect to the continuance of water from our wells out in the Boggy Creek and the Pilot Butte area. Then, of course, we have the problem of maintaining the Wascana lake in front of the parliament buildings which is the beauty spot of the city. Will the minister indicate whether or not a survey of the Many Bones and Wascana creek project which was mentioned in this house last session by the hon. member for Weyburn, and to which he got the reply that a survey was being undertaken there is still going on? Has that been completed, and what expenditures, if any, are being made this year toward water reservoirs for the Regina and Moose Jaw areas?

Mr. GARDINER: I have not the exact amount that has been spent, but at Moose Jaw something over $600,000 has been spent over a period of years. In the first place, that had to do with pumping water from the Saskatchewan river and running it down an open ditch to the Caron area and pumping water into the sand there. The water is then pumped out and into Moose Jaw by the city itself, a distance of some eighteen miles. On that project we have spent something over $600,000. It is the only place in Canada where the federal government has undertaken to make water available to a city. The only reason that we undertook that was there was a combination of circumstances existing. It was a drought period; it was a period of unemployment prior to the war, and there was the possibility of irrigation along the way, farmers requiring irrigation. Because of that combination of circumstances we said that we would try the experiment of pumping water in an open ditch down to within eighteen miles of Moose Jaw, conditionally upon Moose Jaw pumping the water out of there and into Moose Jaw. The plan of pumping water down there has been a success. The water was put there. A small lake was put there last year; but when Moose Jaw put the pressure on the pipeline that they have, about half of it was found to be in a condition where it would not stand the pressure. That is the only reason Moose Jaw is not getting water now. It is not because the water is not there, but because it could not be put there because of the condition of their pipeline.

Mr. PROBE: Is it entirely a pipeline proposition?

Mr. GARDINER: So far as we know up to the moment. We think there is all the water in the sand now that Moose Jaw would want to use at the present time. The only problem in connection with it is that first

the intake silts up, and there has been some trouble in getting equipment with which to clear the intake. I might say that I have done everything that I can possibly do as an individual to see that they get that equipment, but somebody in Saskatchewan takes it and utilizes it for some other purpose. It cannot be secured for Moose Jaw. I do not know just what the reason is. I would not want to go into the details of that; but I have been trying. As a matter of fact, I tried the other day to get it myself, to declare that the department wanted to use it, to clear this up, to get first priority on it. So far I have not even got that. We will do everything we can to get the equipment with which to clear that silt out of the river.

Mr. PROBE: May I just interrupt for a moment? Is the minister referring to that War Assets declaration which was mentioned?

Mr. GARDINER: I am referring to the fact that at the present time most of the equipment goes to certain authorities in Saskatchewan, and they get first priority; but I do not want to get too far into that.

Mr. PROBE: No; I know that. At the same time I do not think it is strictly correct. That pumping equipment is still in the No. 2 R.E.M.U., near Moose Jaw.

Mr. GARDINER: We have done everything possible to get it, anyhow, and we have not got it up to date. Moose Jaw city has been doing everything possible too and we have not been able to get it. That is the position at the moment.

So far as Regina is concerned, the only dam that is being put in at the moment in order to supply water for Regina is the one I referred to a few moments ago, namely, the Saskatchewan river project, on which we are spending $137,000 for survey work. It is anticipated that if that is a success, if the dam is put in eventually, the Saskatchewan river water will be available for Moose Jaw and Regina. That is probably something for the future.

The only dam that I referred to is on the Many Bones creek. We have been making a survey. We have all the detailed information necessary for carrying that project through. We have not yet determined whether we shall proceed with it this summer or not. There has been some discussion between the provincial government, the city of Regina and the prairie farm rehabilitation act organization. I am sure there is not entire agreement at the moment on the amount that should be provided by the different authorities, but all the information is available on which to proceed.

Mr. PROBE: No expenditure is contemplated this year?

[Mr. Gardiner.]

Mr. GARDINER: I would not say there is none contemplated. There is none provided for at the moment, but they are urging strongly that we should go ahead this year. I am not sure whether we shall go ahead or not; it depends somewhat on the urgency of other work.

Mr. PROBE: Does the Minister of Agriculture know whether any expenditure is contemplated in connection with the Moose Jaw end of the project?

Mr. GARDINER: No; we think we have spent as much money there as we ought to spend.

Mr. IRVINE: In one of his replies the minister referred to the Pemberton project. Has the federal government undertaken any work there at all? If so, how much has been done? Is anything further that may be done by the federal government contingent on the dominion-provincial conference agreement.

Mr. GARDINER: No; so far as the Pemberton project is concerned, we have put engineers there. They have made a report to me and I have made a report to Mr. Pearson of the provincial government. We are in entire agreement as to what ought to be done. I am hopeful that there will be somthing done there this year, but I would not want to be too definite about it anyhow because I must get a supplementary estimate.

Mr. CRUICKSHANK: Will the Prairie Farm Rehabilitation Act be extended to cover all of Canada?

Mr. GARDINER: Not this year. I had bills prepared in order to make it apply to all of Canada, but they were contingent upon agreements being reached at the dominion-provincial conference. Those agreements were not reached, and until the conferences are continued it is not thought advisable to bring the legislation down.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacNICOL: Mr. Chairman, I was glad to hear what the minister had to say this afternoon, and to note the vision he has of what can be accomplished under this vote. I was pleased particularly to hear his observations respecting the marshes of New Brunswick and Nova Scotia. I am not going to discuss that matter myself, because it was well covered this afternoon by the hon. member for Cumberland and the hon. member for Colchester-Hants. Undoubtedly the people

who live in Nova Scotia will be greatly encouraged to know that the minister has in mind a programme for development in that province as and when agreement can be made to permit the carrying out of such a programme. That is all to the good for Canada, because that is one part of the country it is important the government should assist, if it possibly can. The population in Nova Scotia and New Brunswick has not advanced to anything like the degree we would like to see it advance. I have no doubt that when the works in connection with the reclamation of marshes in Nova Scotia and New Brunswick are completed it will have a material effect upon business there. Consequently the population should increase.

The minister referred to the Moose Jaw water supply, and it is in that respect I wish to speak particularly for a few minutes. I hope the minister will not be apologetic for the government's part in providing water for Moose Jaw, even though that part may not have been as great as might have been wished. I take the same stand as is taken by the bureau of reclamation in the United States. We must remember that it could be said that, because of permission being given to the Canadian Pacific railway to have its divisional works at Moose Jaw, without first making certain that there would be an ample water supply for the engines of that railway, which has done so much to open up western Canada, the government is responsible for the fact that a town has grown up where the railway first built its shops in that part of the country. To that extent the country is responsible for the city's development at a point on the prairies where there is insufficient water supply to permit its full growth.

I have said before, and I repeat, that whatever is decided by the government in the matter of spending money to bring a water supply from the Saskatchewan river, the only permanent and abundant available supply for both Moose Jaw and Regina, will have my undivided support. As a businessman I know, from my past experience in big business in Canada, that an increase in the population of those two cities to three or four times their present size would be beneficial to all Canada. And they cannot help all Canada as they would do unless they are amply supplied with water.

I shall not repeat what has been said by others and what I have said on other occasions, but I shall close this part of my remarks by saying that I will support any government programme designed to provide an abundant and permanent water supply for those two cities. I look forward anxiously to learning what is contained in the report the minister will receive from the engineers now engaged in drilling holes up and down the river, north and south of Riverhurst. I am firmly convinced that the Supreme Being, in His wisdom, when permitting those cities to be located there, had made ample provision somewhere in that river, and that the source will eventually be found.

I would point out to the committee briefly that we should not be critical of expenditures in connection with this vote. The engineers engaged by the department, through the Prairie Farm Rehabilitation Act, are compelled to spend considerable sums of money without showing much, if any return. That is not their fault. I know something about that kind of engineering, and I know they can drill many holes in the river without showing any satisfactory results. But holes have to be drilled to find a safe bottom upon which to build a dam—if, indeed, it is possible to find a safe bottom. If they did not, then they would have to build a dam which would be much more expensive than the one required if a safe bottom were found.

I hold in my hand the core of a diamond drill. This one came from the St. Mary's river, at which point, I understood the minister to say this afternoon, contracts are to be let shortly for the St. Mary's river dam. I should imagine the purpose would be, first, to divert the river, and then to proceed with the building of a dam. It would seem that on that river they have found a safe and sure bottom, of which this is a core. And a dam foundationed on terra firma, if we may call it that, if it is as good as this sample, will support the building of any type of dam. I am happy that the St. Mary's river work is proceeding satisfactorily.

I listened to what the minister had to say about the Red Deer work. There, too, I might say, they have found a safe bottom on the Red Deer river. Although this core is not from the Red Deer bottom, to all intents and purposes it looks the same as a core I have of the Red Deer river bottom. If I were to break this core in two, I am sure hon. members would not know whether one-half was from the Red Deer or from the St. Mary's. I know now that the department has found a safe bottom on the Red Deer river, about which the hon. member for Acadia spoke this afternoon.

I was most happy in February last to meet the hon. member in the really smart town of Hanna, a town which some day will be a city, if the programme the department has

in view is carried to a successful conclusion. Recent figures show that about 500,000 acres can be reclaimed south of Buffalo Lake to Hanna area. Do not have any hesitancy in asking this house to vote whatever is required to carry through the Buffalo Lake-Hanna or Red Deer river project, because that will be a self-liquidating project. An hon. member, incidentally a very bright and brilliant member, said to me the other day that he could not understand how I could term these projects as being self-liquidating. I told him that after irrigation was provided to an area there was a great increase in the population; I told him that this in turn increased the buying power of the people, and that employment was created all along the line.

I have here some facts and figures about an area that I intend to visit as soon as the house rises. I expect to cover some 10,000 miles by motor. I have here the details of what has been accomplished by the bureau of reclamation in several of the western states. You, Mr. Chairman, had a lot to do with a fine plant in the town of Seaforth where you held a responsible position. That was operated by a really fine family, I believe the Bell family. I know you can picture what it would mean to the town of Seaforth if the population were increased by 50,000 round about. I do not think you would have to be convinced that any project which would add 50,000 buyers in the area around the town of Seaforth and the town of Clinton was a self-liquidating project.

The United States bureau of reclamation is spending $160,000,000 this year in carrying on a gigantic programme. By 1951 they will have reclaimed 6,500,000 acres of land just as dry and the same type of land as that which lies between Buffalo Lake and Hanna and in the southern part of Alberta where the hon. member for Lethbridge comes from. Some of that land around Lethbridge now looks like the garden of Eden because of the irrigation projects they have there. The improvement will be much greater when other projects are completed, but I am not going to discuss them at the moment.

I understand that the first irrigation project in America was carried on by some friends of the hon. member for Lethbridge at Salt Lake City. When those pioneers went from Illinois to the west and started to build that magnificent temple which is one of the finest buildings in the world they found the ground so dry that they could not pick it. They brought water from the lake in order to make the ground soft enough to work and they conceived the idea of irrigation. Later they brought those ideas up to Alberta. Those pioneer settlers deserve a lot of credit for what they did in Alberta.

The bureau of reclamation states in its latest report that the average net return from irrigated farms under their jurisdiction is $36.33 per acre. Throughout the whole United States, including those prolific states of Iowa and Kansas, the average is only $14.41 per acre. When irrigation gives such wonderful results how can any one say that it is not self-liquidating.

I hope the minister will not hesitate to bring in whatever programme is required to irrigate these lands which my hon. friend spoke of this afternoon. We should have a programme to irrigate the semi-dry acres of our western prairie land which now grows nothing but sage; wild rose and prairie grass. I presume that if I wanted to buy some of that land to-day I would not have to pay more than $2.50 or $5 per acre. But, once it is irrigated, the land would be worth anything up to $50 per acre. If special crops were grown it could easily be worth $75 to $100 per acre. The difference in land value alone would pay for the cost of irrigating, and that is apart altogether from the magnificent crop returns which would be obtained.

I do not care what government brings in a programme to irrigate the Hanna and Acadia and Buffalo Lake areas, it will get my support. I think the minister knows that the land from Buffalo Lake south has a slope which would permit a flow of water. The more I examine our whole western country, the more I am convinced that God Almighty has laid it out in such a way, with the great river behind it, that it is possible to have a flow downhill. Very little pumping, such as they have to do in the United States and which they find it pays them to do, would have to be done in the Buffalo Lake to Hanna area.

I should like to say a word about the Ronelane-Redcliff area. I do not know whether the minister said anything about it this afternoon, but I believe it comes under the other $10,000,000 vote. I wish this was under the minister's department because he is a farmer and knows what increased farm crops mean to our nation. They are a benefit, not only to the farmer, but all along the line right down to the smallest factory in Davenport riding. I would not say that the Ronelane-Redcliff area deserves first place, but I think it would come right with the Lethbridge area project.

Mr. GARDINER: The engineering is fairly well completed in that area.

Mr. MacNICOL: I understand that all they have to do is to complete the syphon across the Bow river. That area comprises about 70,000 acres immediately west of Medicine Hat. The main canal is completed almost right up to the city. I sincerely hope that project will be carried through as rapidly as possible. With the increased land values that would result, as well as with the additional returns from the land itself, this country could afford to irrigate every dry acre in the west that is capable of being irrigated. It cannot all be irrigated, but three to four million acres can be irrigated. I should like to see the minister take the bit into his teeth and bring a programme into this house for the irrigation of the whole four million acres or thereabouts of dry or semi-dry land that can be irrigated, also a vote for bringing water from a Saskatchewan river dam to supply the two cities of Moose Jaw and Regina with a permanent abundance of water. I will predict that if the government would provide those works—it would take nearly five years, I should think, to build the dams and either a tunnel or conduit across the seventy miles for Moose Jaw and the 110 miles to Regina—within ten years of the completion of the works the city of Regina, which to-day has a population of around 70,000, would be closer to 150,000 and the city of Moose Jaw, which has from 20,000 to 23,000, would have closer to 50,000. As it is to-day they cannot get big industries to locate there. I have heard members in the house say what a fine thing it is to decentralize industry. I was in big industry, but if I were going to build a plant in the west I would not locate it where I could not get a permanent and abundant supply of water. No business man would. But any business man would be happy to build a branch plant in Regina or Moose Jaw, if he wanted to locate in that part of the west and there was a demand for his goods there, if he could obtain an abundant and permanent water supply.

So that I for one would go the limit in supporting any government or any party which would carry through these western irrigation projects, knowing they are for the good of all Canada. Let no one think they would be for the benefit of the west only. While some of my hon. friends may think that, I was too long in big business not to know what such a development would mean much to the east. You could not benefit the west by building it up in that way without also benefiting every manufacturing town and city in the eastern provinces. They will prosper just as much. So that the minister has one solid supporter and there are others on this side for a gigantic water conservation and water supply project in the west.

Mr. BLACKMORE: The people of my constituency are naturally anxious to know what progress is being made in the construction of the St. Mary's river dam. Would the minister answer several questions on this subject which have been sent to me?

How many tenders have been submitted for a contract to build the 1946 portion of the work on the St. Mary's river dam? When did they come in, and why has not one of the tenders yet been accepted? There is some doubt whether a tender has been accepted, but from the minister's remarks this afternoon I gathered that no tender has been accepted.

What items in the construction of the dam are to be disposed of by the contractor in 1946? Is it only the three tunnels mentioned earlier this year in the discussion of this matter?

Has the work actually begun on any one of the tunnels or on any aspect of the dam? If so, what progress has been made?

Has any unforeseen difficulty been encountered? Have there been any difficulties with respect to labour or materials which would be likely to interfere with the consummation of the prescribed portion of the project this year? Are the materials required now in sight?

Mr. GARDINER: Nothing has developed which would raise any question about the possibility of going ahead. The work for which tenders have been called is just the tunneling for handling the water while the dam is being built. Tenders were called and received, but there was so much variation in the tenders that it was thought the engineers should check them carefully before making a final decision. There was a difference of some $500,000 between the highest and lowest tenders. The estimated cost was $750,000. To make absolutely certain that no mistake had been made, it was thought better to make a check before actually awarding the contract to the lowest bidder.

Mr. BLACKMORE: Has the minister any idea when the contract will be awarded?

Mr. GARDINER: I cannot say exactly when, but I think it should be almost any day.

Mr. McKAY: Will any work be done on the Souris river and the Long creek project in southern Saskatchewan this year?

Mr. GARDINER: There is an amount of $18,000 set aside for work on the Souris river.

Mr. THATCHER: May I direct a question to the minister regarding the Moose Jaw water situation? This afternoon he made several remarks which I think were not quite correct. He said that the open ditch there, for pumping water, has been a success. Originally this ditch was built from the South Saskatchewan river to provide Moose Jaw with an adequate water supply. If the plan had been a success it would have provided Moose Jaw with an adequate supply in the past spring. But, as I stated earlier this session, Moose Jaw was shorter of water in the past spring than ever before in its history. The water mains were turned off for about half of each day for several months and the housewives were filling bathtubs to get water to cook with the following day. The Canadian Pacific engines were hauling water from Regina and other points to run their trains across the prairies, and sanitary facilities could not be used on many occasions.

Mr. GARDINER: That had nothing to do with the ditch.

Mr. THATCHER: I do not think the water scheme was a success. The minister went on to say that a small lake was put in the saturation area there last year, but that when Moose Jaw put the pressure on the Caron pipeline they have, about half of it was found to be in a condition where it would not stand the pressure. According to him, this was the only reason Moose Jaw was not getting water now; not because the water is not available, but because it could not be put there in view of the condition of the pipeline. For the minister's information I will quote from a letter that I received from the city engineer of Moose Jaw:

> Our Caron pipeline is used as an excuse for loss of water, but on checking over the loss of water on the river scheme in transit, here are the figures:
>
> Amount of water pumped from the river, 1945 season, 1,119,300,000 gallons.
>
> Amount of water delivered to the saturation area, 1945 season, 300,000,000 gallons.
>
> Amount of water withdrawn from the saturation area up until December 29, 1945, 296,340,260 gallons.

That shows only 26 per cent efficiency; 74 per cent of the water was lost between the Saskatchewan river and the saturation area, while only a very small amount was lost between the saturation area and the city of Moose Jaw.

The engineer goes on to say:

> . . . had the pipeline been perfect in every respect, we did not have sufficient water from the river to meet our requirements, and further, the leaks on the Caron pipeline were repaired before the shortage of water in Moose Jaw arose.

[Mr. Gardiner.]

Moose Jaw is in very difficult straits as far as water is concerned. This spring, when they began to pump water from the river again, something happened to several of their pumps; they would not work. I am told by the mayor that the pumps they needed were located four miles south, in one of the old airports, and so far the city authorities have not been able to get War Assets or whatever authorities are necessary to release those pumps to the city. If the minister could do something about that—the hon. member for Regina mentioned it this afternoon—I know it would be appreciated, and I think it is very necessary indeed for the city.

Before sitting down, I should like also to ask the minister whether he intends to call for tenders on the South Saskatchewan scheme this year. Some weeks ago a former member of the house made a statement in Saskatchewan along these lines, according to the way he was reported in the Regina *Leader Post*:

> Tenders will be called shortly for the much-discussed South Saskatchewan irrigation scheme. The scheme has been worked out, much of the engineering has been done, and before long some contracts will be let. A start will be made as soon as men and equipment are available.

Would the minister tell the committee whether that is correct, whether we can definitely count on this scheme going ahead this year?

Mr. GARDINER: If the hon. gentleman had been in the chamber this afternoon when we were discussing this matter by the hour he would not have had to ask some of the questions he has asked this evening; and I do not know that the rest of the committee should sit here and listen to answers the second time. I stated this afternoon that $137,000 was being spent this year on completing the engineering and surveying of the South Saskatchewan river. That is all the money that has been made available or has been asked for to the present time.

Mr. THATCHER: But the project will not be actually started this year?

Mr. GARDINER: No, I do not think there is any possibility of the engineering being completed this year, and the survey, to the point where tenders can be called for the building of a dam on the South Saskatchewan river.

As far as Moose Jaw is concerned, the waters from the Saskatchewan and an open ditch were never intended to supply all the water which is necessary for that city. Moose Jaw had 16,000 inhabitants when that ditch was first constructed, and Moose Jaw had always had water, not all they would have liked to have had, but they had water from

the Caron sands supply. There was not any ditch required in order to give them the water they had down to 1942 or 1943, and even down to this last year there was very little water supplied from anywhere else. If they have got 300,000 gallons, or whatever amount was required on top of that, pumped down from the South Saskatchewan river, they have had more water from the South Saskatchewan river than they actually utilized out of the sands at Caron, in addition to what they had before; and if you add the two together there would be far more water than Moose Jaw would utilize at the present time. Everyone knew that when you dug an open ditch through an area of country about one-third of which is sand there would be some leakage from that ditch and some water wasted, but the open ditch was dug for the purpose of determining whether water could be got down there successfully from the Saskatchewan. The contract entered into by the government with the city of Moose Jaw was to demonstrate that that water could be brought down. The water has been pumped there for two years; it ran down the ditch full length. The ditch was dug down from the Saskatchewan river and the pumping equipment was put in.

The government had difficulties with the pumping equipment even before the project was turned over to the city, in that the intake which was first put there silted up and sand came with the water into the pumps. Anyone who operates pumps knows that they will not handle very much sand without the pumps being destroyed. So that a new intake had to be put in the river; and I did not understand that there were any pumps being looked for at the present time; it is a dragline which is required in order again to clean out the intake and thus prevent the sand from getting into the water and destroying the pumps a second time. I understand that they do not desire to operate the pumps until this cleaning out process is gone on with. What they are really trying to get is draglines and not pumps. They have been applying to me for weeks to assist in getting them the draglines, and we have thought on one or two occasions that we had been successful. Up to two weeks ago, anyway, a dragline was not obtainable, but we hope to be able to get it for them before long.

On the other question, that of pumping water in from Caron to Moose Jaw, that is entirely up to the city of Moose Jaw. From the beginning of the project they have always undertaken to see that the water was got in the last eighteen miles. The government has never assumed any responsibility in connection with that. Whether the leakage is great or small, there is leakage; and as I understand from reports which have been made by engineers—and I have read a number of them—the leakage is not the only difficulty; they cannot put much more pressure on these pipes. They have to reconstruct the pipeline, which has been in for a long period of time. Some of it was reconstructed a few years ago but part of it was not. The pipeline is old, and it requires to be reconstructed before they can pump in any such quantity as they desire to pump.

That, I think, is pretty much the story of the Moose Jaw project, and I would say again that it is the only one of its kind in the Dominion of Canada. It is the only one where the federal government has undertaken to supply water to any city, and I think Moose Jaw is very fortunate to have had almost $700,000 spent for a purpose which has not been an object of assistance in any other part of Canada.

Mr. THATCHER: May I ask one supplementary question?

Some hon. MEMBERS: Carried.

An hon. MEMBER: Give him a chance.

An hon. MEMBER: We want to get home by Christmas.

Mr. THATCHER: Would the minister tell me whether there is anything he can do or I can do to get these pumps from War Assets? Here we have a city without water, and the pumps, or dragline, as he calls it, sitting in War Assets doing nothing. It seems a strange situation.

Mr. GARDINER: As far as I know, there are not any pumps required. What is required is a steam shovel, what we call a dragline, to take the silt out of the river. There are some draglines, I understand, held by someone; I am not sure whether they have been declared surplus or whether they are still held by the air force for work which they want to do themselves. Efforts have been made to have some of these draglines made available, but to date we have not been able to get them. I said, when the hon. member was not here, that I went so far as to try to utilize the priority which my department has for equipment which we are going to use ourselves; I stretched the point so far as to say that since we had spent almost $700,000 on the project we considered it sufficiently important to the Department of Agriculture to exercise our first priority to get that equipment, but I have not been able to get it. The next priority, of course, is the provincial government. If they have some equipment of that kind I do not know why they do not turn it over to Moose Jaw as against somebody else. The next priority

after that is Moose Jaw itself. I think, if we get out of the way and the provincial government gets out of the way and leaves all the equipment alone for a while, probably Moose Jaw will be able to get it themselves.

Mr. CRUICKSHANK: I would ask that the same consideration be given out in British Columbia to the prevention of flooding of farm lands and the erosion of farm lands on the Fraser river as is given under this act to bringing in water for use elsewhere. I do not think it is necessary to make a speech on this; the minister knows about it.

Mr. GRANT: Let us pray for rain.

Mr. CRUICKSHANK: We do not need to pray for rain; we have it.

What I am particularly interested in is that we should be given the same consideration, so far as our difficulties are concerned, as is given the prairie provinces. We are asked as farmers, including the farmers of British Columbia and particularly of Fraser Valley, to provide protection against floods and other dangers, and I am suggesting to the minister now that when the rest of Canada is giving protection to the prairie provinces under this act we, too, are entitled to consideration. I have heard a lot from the prairie provinces about starving to death. Well, we are asking for some protection now to keep water off instead of bringing it on, and when that is done we shall be satisfied. Can we expect from the minister some assurance that the rest of Canada will be treated equally with the prairie provinces under this act?

Mr. GARDINER: I believe I have twice explained that this act applies only to the Palliser triangle and that therefore nothing can be done under it to take care of conditions either in British Columbia or in any other area outside that which is included in the triangle. The work which is referred to by the hon. member is work for which British Columbia is at present responsible, and until something is done to change that situation there is not much possibility of anything being spent under any legislation here.

Mr. CRUICKSHANK: I am afraid the minister is not quite familiar with farming practices.

Mr. GARDINER: I admit there are some things I am not familiar with.

Some hon. MEMBERS: Carried.

Mr. CRUICKSHANK: It is not carried, Mr. Chairman. I want to make that perfectly clear. I am the last one who would defend the present government in British Columbia, but when the minister tells me or implies that this is a local responsibility, that is all tommy-rot. We might as well understand that now. The Fraser river is the second biggest in British Columbia. Last week two farms in my riding lost ten acres apiece from river erosion. When the minister tries to suggest that this is a provincial or a municipal matter, that is not in accordance with the facts. I am suggesting to the minister that if we in British Columbia and the rest of Canada are expected to contribute toward protection in the prairie provinces, we in British Columbia should be given consideration and should have river bank protection. I do not think the minister fully appreciates the situation. Perhaps it is my fault; maybe I have not stated the matter as clearly as I should.

Mr. GARDINER: Give us the Fraser river on the prairies and we shall not ask you in British Columbia for anything.

Some hon. MEMBERS: Carried.

Mr. CRUICKSHANK: No, it is not carried. I heard the hon. member for Provencher talk about wheat day in and day out, and the rest of Canada carried wheat.

Mr. CASE: What is the rest of Canada?

Mr. CRUICKSHANK: Ontario, British Columbia, and Manitoba.

Mr. MacNICOL: Do not leave out the maritimes and Quebec.

Mr. CRUICKSHANK: Will the minister recommended that the act be extended to cover—

An hon. MEMBER: Prince Edward Island.

Mr. CRUICKSHANK: I am asking that it be extended to cover the whole of Canada and not the prairie provinces alone.

Mr. GARDINER: I have already recommended that.

Item agreed to.

Special—

32. Prairie Farm Assistance Act Administration, $250,000.

Mr. GARDINER: It might facilitate discussion if I were to make an explanation at this stage. I am bringing in the Prairie Farm Assistance Act as soon as possible and I intend to refer it to the committee on agriculture for consideration. I was going to suggest that we stick as closely as we can to expenditures under the Prairie Farm Assistance Act, and there will be opportunity to discuss fully any amendments that may be suggested, or any changes in the act, when it is brought down.

Mr. BENTLEY: Both in the committee and in the house?

Mr. GARDINER: Yes. I had hoped to have it brought down before the estimates came up, but when it is brought down I will move it to the committee on agriculture so that full opportunity will be afforded for discussion.

Mr. IRVINE: There is one question which I should like to ask the minister with reference to a peculiar situation which exists in the Peace River block with regard to the Prairie Farm Assistance Act, and which, I believe, does not pertain elsewhere, and that is that it would be difficult for that district to qualify as a crop failure area. Is there any means whereby localities that are affected in the Peace River block may come under the benefits of this act? I understand that the Peace River block is in Alberta for the purposes of the act, and that means that before a district can be regarded as a crop failure area ninety townships must be affected. I question whether the Peace River block, being comparatively a small area, would ever qualify to receive the benefits. For that reason it seems to me hardly fair that they should pay a proportion of the cost without the possibility of enjoying the benefits of the act.

Mr. GARDINER: "Spring wheat area" means the province of Manitoba, Saskatchewan, Alberta and the Peace river district of British Columbia. It is brought under the act at the present time. It can collect under the act, but I understand that the suggestion is that the situation in the Peace River block is such that they cannot come under the terms of the act.

Mr. IRVINE: Yes.

Mr. GARDINER: Well, I am suggesting, as an amendment to the act, that the provinces be able to determine whether they wish to come under it or not.

Mr. McKAY: What I have to say consists largely of suggestions and this, I think, is the time for me to say it. My remarks will not take up much time, but I would be remiss in my duty to my constituency if I did not discuss this matter now. For the benefit of some members of the house who at one time or another have seemed to show a lack of appreciation of the difficulties which face a large part of the farming population of the west, may I be permitted to make a few comments? Almost every year some part of the west has a partial or a complete crop failure because of the vagaries of the weather or because of the ravages of plant disease, as in the case of cereal rust and too from insect pests, which frequently cause a total loss of crop. This brings about a wide fluctuation in farm income and, in many instances, creates real distress and hardship. I come from that district and I doubt if anyone else here has spent as long a time as I have in the particular area affected. I have witnessed that hardship on many occasions in the more than forty years that I have lived in southern Saskatchewan where the crop has failed because of want of rain, and dire poverty has resulted because the crops have never reached maturity. The Prairie Farm Assistance Act was enacted primarily for the purpose of relieving such distressful conditions in the areas affected, and has, I may say, been a definite improvement over the old system of relief which was in vogue during the thirties.

I wish to commend the government on this move, because I feel it is certainly a step in the right direction; it is progressive. But at this time I desire to draw the minister's attention to certain dissatisfactions which seem to prevail, at least in some quarters of the west, with regard to the administration of the Prairie Farm Assistance Act. I hope that the minister will accept what I have to say in the spirit in which it is given. While there is criticism of the administration, I shall endeavour to be fair and offer constructive suggestions which I hope will be given careful consideration by the government.

In the first place, before the act becomes operative the federal government must declare a crop failure region or an emergency year. This is done at the discretion of the federal authorities, and only when 171 townships are involved in crop failure. Many farmers are of the opinion that the act should apply automatically whenever an applicant, through the loss of his crop, and through no fault of his own, is in need of assistance. Furthermore, I should like to suggest to the minister that, since revision is under consideration, some thought be given to the young veterans and others under twenty-one years of age who are still residing with their parents and operating farms elsewhere because they have been unable as yet to set up homes for themselves. Under the act these young men are not eligible to receive any benefit. I suggest that if at eighteen years of age they are eligible and old enough to fight for the country they should be eligible, even though they are under twenty-one, to receive benefits under Prairie Farm Assistance Act.

Second, there is a growing demand from various groups of farmers that the bonus should be paid on an individual basis. There has been the suggestion that such a plan would involve considerably more administra-

tive costs, and I appreciate some of the difficulties in this regard. But appraisers and inspectors are now employed to inspect individual farm units in areas where crop failure is most apparent in order to ascertain what the actual situation is. It would appear that there may be sufficient field men now employed to do this job without the addition of large numbers to the staff. I believe that such an alteration in the policy would actually save money to the treasury rather than increase its expenditures. To support this contention, I wish to draw the attention of the minister to the fact that there were farmers living in the bonus area last season who had substantial yields, but because they resided in the government declared area were recipients under the Prairie Farm Assistance Act. On the other hand, farmers living on the very fringe of that stricken area who had little or no crop at all received no benefits whatsoever under the act because the average yield in the area in which they conducted farming operations exceeded the maximum set by the act as a qualification for bonus payment. Not infrequently the farmer who failed to obtain assistance was just across the road from his neighbour who did receive the bonus.

The farmers pay a levy of one per cent on grain marketed to establish a fund from which benefits can be drawn. Unemployment insurance operates in a very similar way but is not dependent in its payments to the unemployed on the discretionary power given a governor in council which must declare an emergency year before those in need can benefit under that act. When the farmer has a complete crop failure, or even a partial one, he is in need of assistance, and he should be eligible at once to obtain that assitsance from the fund that has been set up to provide it. An unemployed person enters a claim for assistance from the unemployment insurance fund immediately he loses his job, and in the matter of a very few days becomes eligible to receive benefits. I believe the Prairie Farm Assistance Act should operate similarly and should become automatically operative in the same way as the Unemployment Insurance Act.

Third, the amount of bonus under P.F.A.A. is definitely inadequate if the intention of the act is to eliminate the demand for relief, and I believe that is one of its objectives. The maximum of $500 per farm unit is obviously sufficient only to meet very modest farm operating expenses, such as the purchase of fuel and seed. There is not sufficient in this amount to provide adequately for the living expenses of a farmer's family.

[Mr. McKay.]

In areas of western Canada where P.F.A.A. is operating at the present time the maximum amount which is allowed to farmers is, I believe, $500 per farm unit. There must be a sufficient allocation made in this case to carry the farmer from one crop to another, because he has no means of livelihood in the meantime. At this time may I refer to a resolution which was passed at the convention held in March of this year by the Saskatchewan association of rural municipalities? The resolution reads:

> That the crop failure bonus be increased to $5 per acre, and that the maximum be $1,000 and the assessment two per cent, and that payments be made on an individual basis.

It has been suggested that certain areas in Saskatchewan be zoned, leaving northern and north-eastern areas at the present one per cent levy, while areas subjected to repeated drought will be provided with a somewhat higher rate. Areas in Manitoba and Alberta could be similarly zoned, because they have much the same situation in these provinces as we have in Saskatchewan.

So far as the operating of this act is concerned, I believe that the wider possibilities of a crop insurance plan should be carefully explored by the government. The minister may reply to this suggestion that such a scheme would be feasible only under the jurisdiction of the provinces. But it appears to me there should be no objection by the federal Department of Agriculture to at least exploring the possibilities of a nation-wide crop insurance plan, even though the implementing of the scheme by federal authorities may be ultra vires at the moment.

If the plan is then considered practicable, arrangements could be made to subsidize the provinces, or better still to have an amendment to the British North America Act introduced to take care of the situation, as was necessary for unemplomeent insurance, to give the federal government jurisdiction in the field.

In order to have stability in farm income some comprehensive system of crop insurance appears vital. It is generally recognized that such a scheme would require substantial contributions from the federal treasury. I submit that even though that may be necessary it would be a wiser policy than to leave the farmers in the unhappy state of having to accept relief when a series of crop failures occur.

The farmers' levy to the fund would still have to be based on production, and of necessity would vary from year to year, as do the contributions of the industrial worker to the unemployment insurance fund. Crops have

long been insured against hail damage. There seems to be no adequate reason why crops should not be insured against damage from frost, drought, insects or ravages of plant disease in the very same way. The fruit grower who suffers a loss of crop because the fruit blossoms are destroyed by a late spring frost and the truck farmer who suffers because of insects destroying his vegetables need protection quite as much as do the cereal farmers. Any plan of crop insurance therefore should include fruit, tobacco and vegetable crops, as well as cereals. The setting up of such a scheme would tend to create stabilized conditions in agriculture throughout the Dominion of Canada for our farming population, which the present Prairie Farm Assistance Act, because of its inadequacy, does not provide.

Mr. QUELCH: I was very glad to hear the minister say the other day that far-reaching amendments to the act were to be brought down because, if its efficiency is to be increased, those amendments are urgently needed. I hope that when they are brought down they will be of the right type. I do not wish for one moment to belittle the value of the Prairie Farm Assistance Act. It has performed a great service; had it not been for that act many farmers would have been tossed off their land before this.

I had intended to discuss the act at some length, but in view of the fact that the minister says a bill will be brought down in the near future, I shall defer my remarks until that time. Would the minister intimate whether or not the amendments will cover the procedure in respect of deciding upon the eligibility of land?

Mr. GARDINER: The amendments to the act, as I have submitted them, have not yet been finally passed by council. But the act itself will provide a different method of determining whether lands shall or shall not come under the act.

Mr. ARGUE: I do not wish to delay the passage of the item, but I think it will be agreed that I have not taken an undue amount of time in this discussion of the estimates of the Department of Agriculture. As most hon. members know, parts of western Canada are at this time experiencing severe drought.

An hon. MEMBER: It rained the other day.

Mr. ARGUE: I hope that is so. We had a long discussion respecting the increase in prices of farm implements. That subject, important as it is, would not be of much importance to the farmer if he suffered a long series of crop failures.

I noticed that the Minister of Agriculture, in replying to a suggestion the other night that a crop insurance scheme rather than a scheme of assistance in time of crop failure should be brought in, stated that all studies as to the feasibility of a strictly crop insurance scheme had shown that such a scheme was not feasible in that part of Canada at least.

The reason it is not feasible is that the area is large, and has a variable yield. Investments farmers have to make are high. More than that, the farmer receives for his products prices which vary widely. Any scheme of crop insurance practised in the past has collected an almost uniform rate from the farmer, based upon the sales he makes. The payments made out are on a fixed basis. For that reason, whenever prices go down, the crop insurance scheme goes bankrupt.

While I should be very glad to see Manitoba given a chance to withdraw from the operation of the act, if they so wish, I would suggest that if in future years we have poor prices for our farm products, a crop insurance scheme will not be able to work, even in Manitoba, and that the people in that province will be wanting to get back under the Prairie Farm Assistance Act very quickly. When we are discussing any crop insurance scheme we should keep in mind the fact that in the past the government has had to come to the assistance of farming communities in a way that is far less desirable than under the present Prairie Farm Assistance Act. Between 1930 and 1939, governments in Canada spent in Saskatchewan alone $156 million on relief. In that province in the last six years the Prairie Farm Assistance Act has cost the federal treasury about $20 million. The act cost the federal government in the year in which Saskatchewan had its poorest crop yield since the act was in operation, the sum of $11 million. But in 1937 the government paid $47 million in relief to take care of the people in that province in the absence of a proper scheme of crop failure assistance.

A number of crop insurance schemes have been tried in various countries of the world, and particularly some extensive operations in the United States. In every case, every crop insurance plan undertaken has failed miserably. In order that a proper insurance scheme may be feasible at all it must operate in an area in which yields vary little. For instance, in the crop insurance scheme used in the United States in a county in Ohio, where the yield was 21·7 bushels per acre on a long-time average, and where the crops were insured for half of that amount, the farmer to insure a crop of at least eleven bushels to the acre had

to pay only two per cent of his annual sales. In the county of Morton, Kansas, where the average yield was only 7·7 bushels per acre, to get insurance of something less than four bushels per acre the farmer had to pay each year 26·3 per cent of his sales as a premium.

So it is obvious that in any area in which there is a great variation, the premiums which must be collected to cover even a meagre scheme of crop insurance are very high, and the farmers naturally think they cannot afford that type of crop insurance. Consequently they withdraw from the plan; and those farmers who have crops almost every year—and good crops—stay under the scheme because they can probably get an insurance rate of around two per cent.

The Prairie Farm Assistance Act came up in the discussions of the dominion-provincial conference. The brief Saskatchewan presented to the last session of that conference contains a good deal of information and many suggestions with respect to the Prairie Farm Assistance Act. I should say that perhaps about 40 per cent of the material in the brief dealt with that act. So that, certainly for Saskatchewan, a comprehensive scheme of crop failure assistance is absolutely necessary. In any scheme undertaken I believe a standard levy must be collected, as there is at the present time, on the basis of the sales a farmer makes.

I think some consideration should be given to zoning and perhaps Saskatchewan could be divided into three or perhaps only two zones. Certainly any scheme of crop insurance under which the individual farmer must pay a rate depending upon his own long-term average yield is entirely out of the question. It just is not practical.

At the present time the highest average payment to any farmer in a crop failure area under the Prairie Farm Assistance Act is $400. That will do little more than pay the cost of seed and the seeding of the crop; it allows nothing for the payment of taxes, for summer-fallowing, for interest and for living expenses. Farm management studies conducted by the university of Saskatchewan shows that a farmer needs a minimum of $1,000 to maintain his farming operations and his family for one year.

An hon. MEMBER: What sized farm?

Mr. ARGUE: For the size of the average farm in my area, 320 acres.

Farmers in a crop failure area should receive $6 per acre on their cultivated acreage, which would provide a man who had 160 acres in crop and 160 acres in summer-fallow with approximately $1,000. He could then buy his seed, pay his taxes and maintain his family for a year, although that is little enough. Then $3 per acre would be a reasonable payment in a low yield area, possibly based on a yield of from four to eight bushels per acre. Payments should be made on an individual basis. We all know that there are farmers who have suffered complete crop failures through no fault of their own but because there are not enough other farmers around them who are in the same predicament they are unable to obtain any benefit under the Prairie Farm Assistance Act.

In order that an area may be declared a crop failure area there must be 171 townships in Saskatchewan, 54 in Manitoba and 90 in Alberta having an average yield of less than five bushels per acre. One can easily see that the Prairie Farm Assistance Act as applied in western Canada does not adequately cover all farmers who suffer crop failures from time to time.

Certain of the regulations under the Prairie Farm Assistance Act should be changed. I have received dozens and dozens of letters from farmers who felt they were entitled to receive the so-called bonus but who, for some reason or another found they were not entitled to it because of the regulations. Prairie farm assistance payments should be paid to all bona fide farmers. A farmer may see in July that he will have no crop to harvest. He may go to another province or go to town and get a job. If he does that he will not receive a bonus payment.

Mr. GARDINER: He gets a bonus if he comes back to the farm again; it is only when he stays away that he does not get it.

Mr. ARGUE: I am glad the minister has given me the assurance that such a man will get the payment. I have been in the Regina office time and time again and have talked with the officials, but this is the first intimation I have had that if that man returns he will get paid for that year.

Mr. GARDINER: Anyone who leaves the farm before November 1 and stays away is not paid, but anyone who leaves the farm to go to work because he has no crop and comes back before May 1 of next year and puts in a crop is paid.

Mr. ARGUE: I thank the minister for making that statement. Regulation No. 2 states that a farmer is not considered a farmer under the act unless he lives on the farm and his primary occupation is farming, or unless he lives not more than twenty miles away from the farm and has no occupation other than farming. I have in mind one man who is a storekeeper in a small town. He

tells me that on the average he can make $500 a year from his store. He has a half-section of land a few miles out of town which he farms. Last year he had a crop failure.

Mr. ROSS (Souris): How much does he make on the average from his farm?

Mr. ARGUE: I think he is working under the misapprehension that he can make some money on the farm. Anyway, he lost money last year, and he finds he is not entitled to come under the Prairie Farm Assistance Act and receive a payment. He is going to find it difficult to buy seed and to farm this year. I can think of another man, a mechanic, who has a small garage, I do not suppose it is any larger than twelve by fourteen feet. He overhauls cars and tractors in the winter time. He has rented a half-section of land which he farms in the summer. Last year there was a crop failure in his area and assistance payments were paid to most of the farmers in the district, but he was not considered to be eligible. Simply because a man has initiative and enough ambition to attempt to make a decent living should not cause him to be discriminated against.

Mr. SINNOTT: He is not a farmer; he is a speculator; a farmer is a man who stays on the farm.

Mr. ARGUE: I notice the hon. member did not stay on the farm. I understand he is an implement dealer.

Mr. SINNOTT: Let us get this matter straight.

Mr. ARGUE: I can think of another man who was a real farmer. Last year he moved to Regina on October 23. He had been a farmer for thirty years; he was a bachelor and he had a crop failure. He saw no reason why he should stay on the farm this year and he moved to Regina. Because he left his farm eight days before the deadline he was refused a bonus payment.

Mr. GARDINER: Why did he not stay for the eight days?

Mr. ARGUE: The minister must realize, as I do, that most of the farmers in Canada do not know of the orders in council that are passed by the government and tacked on to the various acts. I assure the minister that I do not know all the regulations.

Mr. GARDINER: If he lives in that district he ought to know because he has been dried out often enough.

Mr. GRAYDON: Some of the ministers forgot about orders in council.

Mr. ARGUE: Then there is the regulation that a man must be twenty years of age in order to be eligible to obtain a payment under the Prairie Farm Assistance Act. During times of war a man of eighteen years of age is considered to be sufficiently mature to be drafted into the army. As I expressed in a resolution which I placed on the order paper but which we have not as yet got around to discussing, I think young people should be given the franchise when they reach the age of eighteen years. I believe, along with them, that they should be allowed to receive benefits under the Prairie Farm Assistance Act. I do not think I can advance a stronger argument for reducing the eligible age at which a young man can receive assistance under the act than by quoting a few lines from a letter I received from a young man in my constituency who had not received the bonus. He says:

> If I leave the farm now—

This letter was written in February of this year.

> —it will be for good and I'm sure there are a lot of fellows who feel the same. There's no sense in going out working and then come back and invest in something that I'm not sure is a paying proposition, especially when I did not get the bonus.
>
> I had 60 acres in wheat and 60 acres in summer-fallow. My dad had 90 acres in wheat and oats and 60 acres of summer-fallow, which is a total of 270 acres between the two of us.

If the father had kept the land in his own name and had said to his son, "You drift off into the city; you are old enough to earn your own living," that man would have received an assistance payment on half the total of 270 acres.

Mr. GARDINER: Not if he had land of his own. There is a limit.

Mr. ARGUE: If he had 270 acres he would have received $2.50 per acre on 135 acres. But, instead, the father said to his son, "I shall turn over to you 120 acres of my land and you can farm on your own." The son stayed home and worked on the farm. He had a crop failure. Then, under the regulations of the Prairie Farm Assistance Act, he was told that he was not entitled to the bonus, and worst of all, the department would not issue a joint cheque to these two men which would still have been a good many dollars less than some individual farmers were able to obtain under the act. The letter goes on:

> I am sure it is quite evident that we weren't trying to cheat the government of any money. We were just trying to be honest. If it would have been in my dad's name I would have got the bonus. But by some of the Liberal laws I guess a fellow has to be a crook to make any headway.

I am afraid that he arrived at that conclusion a little bit too late.

There are many farmers, in my neighbourhood at least, who have only 160 acres under cultivation and, because they are farming a quarter-section of land, they received under this act last year $200. I know families which have only the $200 under the Prairie Farm Assistance Act and a few dollars family allowance to maintain themselves for one year. Surely that is not good enough.

I believe that the Prairie Farm Assistance Act, since it was implemented, has cost the government something like $5,000,000 a year on the average. I believe that the suggestions I have made for changes in the act would mean that the cost to the government might be in the neighbourhood of $15,000,000 a year; but $15,000,000 is not a sum that the government should shudder away from when one considers that it would be used to help, as the Minister of Agriculture has told us, at least one million people. It is something less than the cost of a single day's war effort. I would suggest that the government take the money that they spent on one day of the war and spend it now to give the farmers of western Canada adequate protection against crop failure. I am sure that in doing so they would receive no serious objections from any part of Canada, because we in the west, too, are also asking that this act be applied to all parts of Canada.

Mr. ROSS (Souris): I was pleased to hear the minister state this evening that he was going to bring in an amending bill which, after discussion on the second reading, would go to the committee on agriculture. But in view of the minister's statement a few days ago about weather conditions on the prairies, that if it did not rain soon they would not have very much of a crop, coupled with the statement made by the hon. member for Provencher not long ago about this act, I am sure there will be many farmers in his constituency, which is farther east in Manitoba, who will be wanting some assistance under this act if it does not rain and rain quite a few times in the next month on the prairie provinces.

Mr. JUTRAS: They have just had two years of crop failures and never got much assistance.

Mr. ROSS (Souris): It is on their behalf that I want to say a few words so that they will become eligible in future for the drought bonus on the prairies.

I agree that considerable changes should be made in details in the amending bill. For instance, many farmers who might be eligible to receive the bonus under an individual basis, receive no assistance under the township set-up at present. I have here a return that was brought down last year. It shows that 8,194 farmers received prairie farm assistance on the basis of eight bushels per acre or less for the 1944-45 crop, and that 2,557 farmers received assistance on the basis of from eight to twelve bushels to the acre. The 8,194 farmers received $1,686,488.92 and the 2,557 farmers received $511,116.29.

The question was raised a while ago of repeated crop failures in certain sections of the prairie provinces. The return from which I have just quoted also shows how many townships or part townships were eligible for assistance from the 1939 crop to the 1944 crop once, twice, three times, four times or five times. The figures are as follows:

Townships eligible in whole or in part in 1 year, 1,434.
Townships eligible in whole or in part in 2 years, 1,141.
Townships eligible in whole or in part in 3 years, 837.
Townships eligible in whole or in part in 4 years, 527.
Townships eligible in whole or in part in 5 years, 135.

That is quite a record of consecutive crop failures, 135 townships having crop failures for five successive years. The point I wish to make is this. At one time under the act a man who, in a small corner of a township, had threshed forty bushels to the acre still collected the bonus because the greater part of the township had almost an entire crop failure. That situation has been taken care of in recent years to some extent, but I hope that in the amending legislation the minister will protect the individual farmer. I have cited this one case just to show how unfair the act could be on the township basis. A man with a big yield received this assistance, despite the fact that many of his neighbours had crop failures. The reverse might be the case, whereby those having a crop failure would be denied assistance. That is one of the difficulties I point out to the minister in the hope that it will be overcome by the amending legislation. As I pointed out the other evening when the hon. member for Provencher was speaking, the provincial governments of the three prairie provinces have set up committees more than once to study the matter of crop insurance, and their reports show that they found many difficulties. But in this amending legislation, assuming that a very careful and thorough study will be given to the matter, I believe the minister will be able to make some headway in improving the act in the interests of the individual farmer who suffers crop loss through no fault of his own, but owing to drought conditions,

which, though I hate to say it, I feel convinced many farmers in the prairie provinces are going to suffer during this calendar year.

Mr. ZAPLITNY: I rise to say a few words on the question of prairie farm assistance. A good deal has been said about it by other members of our group, and I need not go over that again. But, coming from Manitoba, and having heard two opposing views of the Prairie Farm Assistance Act from Manitoba members, one view by the hon. member for Provencher and the opposite view by the hon. member for Souris, I am inclined to agree this time with the hon. member for Souris. I do not think the solution of the difficulty we have been having in Manitoba in connection with this act is to withdraw from the act, because in the first place, as far as I have been able to find out, there is no prospect at the present time that the provincial government has a crop insurance plan ready or that it is prepared to put one in operation in the near future. Until such time as there is some legislation to replace this act in Manitoba, I do not think it would be wise to withdraw from it.

That is not the only reason why I am inclined to take the view of the hon. member who has just resumed his seat rather than that of the hon. member opposite. I believe the whole spirit of the act is one of mutual aid, so to speak, that farmers are banding together under this act to do something which each one individually cannot do. It is a form of cooperation, something toward which we should take further steps, and to withdraw from the act because the provinces as a whole do not receive as much in benefits as they pay in by deductions would be, to my way of thinking, a regressive step, an act of selfishness. I admit that the farmers of Manitoba have paid more into the fund than they have received from it, and I would urge upon the minister the necessity of certain amendments to the act in order to make it more equitable for Manitoba, but I do not believe the solution is to withdraw from it and leave ourselves between the two well known alternatives.

I should like to point out one amendment which I think is particularly needed: it is in connection with hail damage. I do not know whether anyone has mentioned it here to-day; but, according to the way the act works now, it is very difficult for the individual farmer to collect compensation for hail damage. I have a case in point in my own constituency—I believe the minister is quite familiar with it because we have had correspondence about it—where in a certain township a hailstorm came along in a narrow strip and made the damage such that certain people who should have received compensation could not get it because their township did not have the required amount of damage, while perhaps in another township where the damage was not quite so bad but was spread out more thinly, they were able to collect. The letter which I received from the deputy minister has this significant sentence in it:

> This department inspected townships 27 and 28 and found the average yield to be, in wheat, 8·3 bushels per acre. Therefore the board of review disqualified this township.

This means that on account of having just a little more than the eight bushels per acre the farmers in that township were not able to get any assistance whatever. I happen to know there are certain townships in the constituency where the extent of damage put them just on the borderline and the individual farmers could not collect. That is, I think, a strong argument for putting the administration of the act on an individual farmer basis.

I should like to add that in the case of Manitoba, if amendments to the act are to be made, it might be possible to provide in that province for compensation for flood as well as for hail and drought. I do not know if any part of Saskatchewan is susceptible to flood damage, but there are certain areas in Manitoba, including the constituency of Provencher, where flood damage is somewhat more serious than drought or hail damage, and if the act could be so amended that compensation could be paid in the case of flood and hail as well as drought in Manitoba I am sure that the farmers of that province would not advocate withdrawing from the act.

Mr. GARDINER: Before the discussion goes any further I should like to say something which I had intended to say at an earlier stage. I want to express my own appreciation to the hon. member for Wood Mountain for having given to this committee the very careful outline that he has of some of the shortcomings of what we sometimes call crop insurance. I take from his remarks that he has made a very careful study of it, and I judge from what he said that he was much in favour of crop failure assistance rather than crop insurance. While I was listening to what he had to say, I thought it would be well worth while for hon. members who have been discussing these two ideas, the one of crop failure assistance and the other of crop insurance, to take the trouble to read that part of his speech which deals with that matter. It bears out fully, I think, what has been contended by myself, as the originator of this

idea, from the beginning, that in an area such as Saskatchewan, particularly crop insurance as such is almost impossible, for the reasons which were given; and the illustration mentioned as between a state in the United States where they seldom have crop failure and another state where they have it quite regularly is the best indication of what happens to those who rely upon insurance as against crop failure assistance in areas of that kind.

Other matters which were brought up cover most of the objections to the act. One thing I have been urging, and urging rather strongly recently, was given the greatest emphasis by two of the speakers, namely that the situation is probably not quite the same since young men started to come back from overseas as it was before they went overseas. The provision which is in the regulation—it is not in the act—to the effect that a young man under the age of twenty who lived with his parents was not paid, had not much more to do with the claims than simply this, that there was an effort, when the act was first brought in, by a very limited number of people to collect more money under the act than they were really entitled to. A man with, let us say, two or three sections of land was entitled to collect only on half of 400 acres, or 200, but by dividing that land among a certain number of members of his family he could get all the land under the compensation provisions. Some of the regulations were inserted in order to avoid that, and one of the methods of simplifying the administration which was strongly recommended for a considerable time before it was brought in was that the age limit be put in. That may have been all right at the time and it did not create much difficulty until this year, but men have been coming back from overseas since last year who could not possibly have been utilizing any method of that kind in order to obtain greater advantages under the act. I have been suggesting for some time that that regulation ought to be changed and perhaps made to apply retroactively, but at the moment I am not able to say that it will be. It has to be given further consideration and brought in for change. I can see, however, that there is some reason for that.

When the act gets before the committee, hon. members who are interested in that area will be able to discuss the question, and there is no member who has greater reason to be interested in the area than the hon. member for Wood Mountain. The area has been under drought for a considerable number of years. I think it will be agreed when we go over the act carefully and make some changes in the regulations as they now stand, that most of the restrictions which are there must exist for the general reason that restrictions of this kind are put into legislation, namely, to safeguard the treasury, which, after all, represents the money of the people against a few who sometimes take advantage of conditions, and unfortunately there are people who suffer in consequence. It is not easy to overcome some of the difficulties that exist by any method other than the regulations that are here, but these matters can remain for discussion until the act is before the committee.

Mr. DIEFENBAKER: I do not wish to take up any time repeating what has already been said, but I desire to bring to the attention of the minister a specific instance that has been brought to his notice previously in the course of correspondence. I have also taken it up a number of times with the officials of his department who have given me a most courteous hearing but who invariably have advised me of the impossibility of doing anything toward relieving the situation.

The hon. member for Souris, who has given profound study to the matter, both since being in the house and prior to that time in connection with his position as president of the municipalities' association of Manitoba, has pressed for a long time, together with other members, for payment on an individual basis. I realize the difficulties in the way of that being carried into effect, but it does seem unfair that many are denied the payment of the bonus by reason of the regulations or because they do not live in an area sufficiently large to bring them within the regulations. They are required to make a contribution, in return for which they get nothing, unless the area that suffers drought damage is large enough. I refer particularly to an area north of Regina in the rural municipality of Dufferin. That area is bordered on the south by a water course. Across that water course the crops are invariably good, while north of the water course they are invariably bad; but because the area is less than one-quarter of a township, they are unable to secure payment of any bonus whatsoever. They have been in that position for the last several years.

Mr. GARDINER: They live at the top of the valley.

Mr. DIEFENBAKER: The minister knows the area. They live right at the top of the valley; they pay year by year, and they suffer loss year by year. It is all very well to ask, why do they not get out? They cannot get out. The fact remains that each year they sow, and it so happens that for the past

four or five years, and even prior to that, they have suffered losses and have never had any return.

I fully realize that legislation, however carefully drafted it may be, cannot cover every eventuality. But there is an area that has suffered repeated failures, and there are two other similar areas in other parts of the province. I suggest that, when amendments are brought down, something be done to cover that situation.

With regard to the matter raised by the hon. member for Wood Mountain, in what all must have regarded as a most able and constructive address, he mentioned the case of some man who was not living on the farm and was denied payment of the bonus. I realize that there, too, there are difficulties in the way; but I feel that section 5, subsection 6, which gives the minister power to make regulations excluding from the operation of this act farmers who do not reside upon farms within the meaning of the regulation, should be reviewed and changes should be made in connection therewith.

Let me mention one example. An elderly couple have lived on the farm until they find it necessary to leave and have someone work the farm. They make the contribution but they are denied payment of the bonus. I might mention also cases such as the hon. member for Wood Mountain pointed out of individuals who go into town to earn a living temporarily. There is no reason that I can see why they should not be considered bona fide farmers and entitled to the application of the act.

I suggest that when an opportunity is given to discuss this matter in the committee on agriculture, and when the amendments are brought down, questions such as have been referred to this evening should receive the consideration of the draftsman to the end that the anomalies which now exist be removed. I do not like repetition, but I again urge the minister to do something with respect to the area I mentioned near Bethune, Saskatchewan, and two or three others, with a view to having these people, who are bona fide farmers and who have struggled against adversity for years, be given consideration such as this act is designed to afford. I suggest that something be done to meet the situation of farmers who, by reason of drought, have not a reasonable crop.

Mr. FAIR: Another problem has given trouble in the past and I do not know whether provision has been made to meet it. I refer to the farmer who has one, two or more sons working on the farm with him. They may all have their own separate crops, but because they all use the same set of machinery they have been given only one bonus.

Mr. GARDINER: That is not the intention. The regulations do not prevent a son from living with his parents and using the same equipment as his parents use. As a matter of fact, the intention was that they should be encouraged to do this rather than discouraged. But there are cases where that is given as the reason—though other reasons develop—why they are not allowed the payment. It may be that the board have decided that the arrangement is not a bona fide one.

Mr. QUELCH: Can the minister explain the formula used for deciding whether a man is a farmer or a rancher? Two or three years ago the minister himself criticized strongly some of the decisions that have been handed down, and recently I have run into a good deal of trouble regarding a number of men who were termed ranchers but who, in my opinion, were farmers. In the area south of the Goose Lake line it takes an average of forty acres to one head of cattle. So that if a man had seventy-five head of cattle he would have to have 3,000 acres for pasture; and if he farmed 200 acres it would be decided that, having 3,000 acres for pasture and 200 acres for crops, he must be a rancher. In such circumstances a man could be a farmer, although he had 3,000 acres for pasture land.

Mr. GARDINER: I understand that shortly after the matter was discussed in the house on a previous occasion—as a matter of fact, I had some discussion with the board—the board was changed and a new chairman put on it. These matters were all discussed fully, and I understand that that interpretation has not been put on the ranchers since.

Mr. QUELCH: How do you arrive at what is a rancher; what is the formula?

Mr. GARDINER: As a matter of fact, I insisted that there should be no arriving at it at all; that anybody who did not know what a rancher was in western Canada should not be on that board. I told them that I would try to see that he was not on unless he was able to determine what was a rancher himself, without any definition being put down. Anyone out there knows what a rancher is.

Mr. QUELCH: I did not have any trouble for about two years and then within the past month or two I have received a number of letters protesting about it. I think I had better hand them over to Mr. Stevenson.

Mr. GARDINER: Send them over and I shall have a look at them. I might say that I was getting a lot of complaints before I

took action. I think none have come to me since that time. I hope the board is not getting back to its old practice.

Mr. NICHOLSON: I have had some correspondence with the department regarding the position of a number of cooperative farms. Would the minister give us some statement as to whether amendments are to be brought in whereby the cooperative farm will be put back in the position—

Mr. GARDINER: That is one of the amendments proposed. I cannot say it will get here, but I hope it will.

Item agreed to.

Special—

34. To provide for assistance to encourage the improvement of cheese anad cheese factories, $2,000,000.

Mr. DANIEL: I notice that under this item there is an amount of $2,000,000. There has been an additional amount of $200,000 added this year. I understand that this item is for premiums paid on high-scoring cheese; in other words, high-quality cheese. Another portion of it is for subsidies paid for the construction of cheese factories and to bring such factories up to a certain standard. Am I right in my assumption in that regard?

Mr. GARDINER: Yes, that is correct; that is what it is for.

Mr. DANIEL: Since I have the honour to represent perhaps one of the largest producers of cheese in the Dominion of Canada I feel that a large percentage of this money will eventually come back to my constituency, because I am quite sure that the cheese-makers there can be favourably compared with those of any other part of Canada.

For the information of the committee, I may say that last year in Oxford county we produced some eight million pounds of cheese. That is a lot of cheese. In addition to that, we produced processed milk by the carload. In fact, hundreds of carloads of condensed, evaporated milk were shipped overseas. I remember that at the last session the hon. member for Lanark mentioned the large cheese they made in Perth. He attributed the success of Lanark in the production of cheese to that large cheese. If it did that for Lanark it also did Oxford county some good, because we have been in the production of cheese ever since that time.

I should also like to bring a matter to the attention of the minister to show him that in Oxford county we treasure the dairy cow. I believe we are the only county in Canada which has erected a statue to the memory of a dairy cow after she has passed to her great reward. I refer to that wonderful cow Springbank Snow Countess, owned, bred and milked by Mr. Tom Dent of the city of Woodstock. Mr. Dent is now a member of the Ontario legislature at Toronto.

Mr. GRAYDON: A Progressive Conservative?

Mr. DANIEL: Yes, he is a Conservative.

Mr. GARDINER: Don't blame that on the cow.

Mr. DANIEL: On the outskirts of the city of Woodstock on the very ground where this cow used to graze, eat the grass to produce this wonderful record of 9,300 pounds of butterfat in her lifetime lactation period, stands a monument or statue, life-sized, with floodlights on it at night. It was erected by the Holstein Friesian association of Canada. No doubt that cow has had her picture taken more often than any other cow in Canada. I feel safe in saying that her picture is in every state of the United States and in every province of Canada, because whenever you drive past there in the day time you will see tourists out having their pictures taken, with the children on the back of this beautiful Holstein cow.

Things are going along not too badly in the dairy industry in Oxford apart from a little dispute over prices, but there is another matter that I should like to bring to the attention of the minister at this time. Mr. Chairman, I may be entirely out of order, but if I am no doubt you will correct me. This matter should have really come up under the diseases of animals item, but I was unavoidably absent on that occasion. When that item was under discussion I understand no hon. member mentioned mastitis, a dread disease which is making serious inroads into the production of milk in western Ontario at the present time. I know of a complete herd which has gone to the butcher's block because of it. Mastitis is a very contagious infection. It gets into the udder of the cow, and when the dairy cow loses her udder she has lost everything. Have the federal government taken any steps to combat this disease, or are they making any studies of it? I wish the minister would answer that question. I have been approached by many farmers of my riding and they certainly are concerned over this matter. I have many farmers in my riding with 200 acre farms; it is not uncommon for them to produce up to 2,500 pounds of milk a day, and that requires a lot of milking. When this disease gets in the herd I know for a fact that their production has been halved. There are certain remedies that I know veter-

inarians have been using, but I believe that further study should be made into this important matter.

Mr. GARDINER: As the hon. member said, the item was up some days ago, but the disease of mastitis was not mentioned in the discussion that took place. We spent most of our time on Bang's disease. For a number of years studies have been under way that finally resulted in the discovery of a method which appears to give most promising results. Penicillin used under conditions which ensure an accurate diagnosis has proved capable of curing approximately 90 per cent of the infected quarter. Every effort is being made to encourage the use of this drug under conditions which aim at total elimination of the disease from the herd. It is believed that only when this is put into practice will the economic burden caused by this disease be removed. Therefore the investigations have been made. Penicillin, which is proving beneficial in so many things, is proving beneficial in the treatment of this disease.

Mr. WEBB: I have been sitting here now for some weeks listening attentively to the interesting discussion in connection with the Department of Agriculture. I have listened to hon. members from the west pleading for assistance for their people, because it is too dry. I have listened to hon. members from the east pleading that it is too wet. I happen to live in between, less than a hundred miles from Ottawa, and I would not want anyone to have the impression that we are either too dry or too wet. But we do, at times, really suffer from drought, and sometimes from too much rain. However, we are fortunate in being able to crawl up on the high spots when it is too wet, and when it is dry we go down to the lower places.

So far as assistance is concerned, in my particular part of the country I think the minister will agree that it must come particularly from this item. I should like some explanation of the subsidy for the construction and reconstruction of cheese factories. Mine is a dairying part of the country, and I was not of the opinion that cheese factory construction received much assistance. I do not know in what way that assistance is given.

In fact, we have lost a number of cheese factories to milk factories. Would the minister be good enough to break down the item? I am not referring to equipment, but rather to the reconstruction of cheese factories. The amount is increased this year from $50,000 to $250,000, which would look as though we might expect something further by way of building and maintenance of cheese factories.

Mr. GARDINER: The vote has been in existence since 1939, and was put into effect for the purpose of improving the quality of cheese. There were two ways taken, as was suggested a few minutes ago, to bring about that improvement; one was to pay for high-quality cheese the amount of one cent on 93 score and two cents on 94 score. In addition to that, provision was made for spending money to improve equipment; that is, to get refrigeration into the curing room, and to improve curing rooms in order to assist in improving the standard of cheese.

In addition to that, in quite a number of places there were factories which were very much out of date. Then, in some places there were more factories in those districts than were required. They were not able to make things go. Too many of them had been established, and we wanted to encourage them perhaps to do away with one and to improve the other. We agreed to do certain things to assist along those lines.

Those were summed up in this way: (a) to encourage the consolidation of existing factories in order to secure improvement and greater uniformity of quality of production through increased production per factory;

(b) to assist in providing improved cheese maturing facilities in cheese factories which will result in improved quality and reduce loss of weight during maturing;

(c) to assist in a standardization of diameter of cheese pressing equipment, thereby securing improved appearance of the cheese. That is, many of the old presses were of different sizes. Some of them built a high cheese instead of a flat cheese. To get it standardized, we gave assistance to have that equipment changed.

(d) to provide for the payment of a premium for highest quality cheese. I gave the premiums when I spoke a few minutes ago.

Then, it has been pointed out that the item this year is $250,000 as against $50,000 last year. The point is that last year we were unable to get the materials. During the war, as hon. members know, many of the materials required for doing these things were not available. It was anticipated more of them would be available this year, and we would be able to overtake many of the applications that are in. That is, for subsidies for construction and reconstruction of cheese factories, the improvement of cheese maturing facilities in cheese factories, and for the standardization of cheese pressing equipment. We expect to be able to get five times as much equipment as we got last year. We could have

spent the amount last year if we had been able to get the equipment. But we were not able to get it.

Mr. WEBB: I understand this large item of $1,750,000 for premiums on high quality cheese. But the item which was not quite clear to me was the one for $250,000. Have any subsidies been paid for construction and maintenance of cheese factories in the county of Leeds?

Mr. GARDINER: I am not sure that we have the information for counties, but we have it for provinces. Under the item of amalgamation, we have amalgamated 47 in Quebec, three in Ontario. In the matter of insulation, there have been 150 in Quebec, 19 in Ontario, two in Manitoba and one in Alberta. For insulation and refrigeration there have been 242 in Quebec, 262 in Ontario, seven in Alberta and one in British Columbia. For pressing equipment there have been eight in New Brunswick, four in Prince Edward Island, two in Quebec, 141 in Ontario, and one in British Columbia.

The totals for all are: New Brunswick, eight; Prince Edward Island, 4; Quebec, 441; Ontario, 425; Manitoba, two; Alberta, eight, and British Columbia, two.

While I have not the information by counties, I am reasonably sure that there has been some reequipment in the county of Leeds, and that they have received payments under the provision for reequipment. Perhaps they have not received anything in respect of the rebuilding of factories.

Mr. HACKETT: In the last month or six weeks the minister has referred frequently to a procedure in Quebec whereby factories have become convertible into cheese factories or butter factories, as opportunity for sale of one or other of these commodities seems to become more attractive. Has any part of this $250,000 been devoted to effecting this convertibility in respect of the butter and cheese factories in Quebec?

Mr. GARDINER: I would doubt very much if any considerable proportion of it has been used for that purpose. There may have been instances where it has been proposed to add a cheese factory to a building already producing butter, in which event they would probably come under the regulations as applied to equipment. But that is a condition which, as I understand it, has existed in Quebec for many years. They have had duplex plants. I do not know what their origin was, or who originally advocated their operation. But the fact is that they have those duplex plants and, strange to say, there are very few of them anywhere but Quebec. One may wonder why that should be so, but the fact remains. Someone must have promoted the idea at one time, and succeeded in having a considerable number of them established in that province.

Mr. HACKETT: Has the minister any detailed information on this particular phase of the enterprise? He made several references to it. The fact that I am not thoroughly familiar with the situation is of no great significance, but I must point out that I have not been able to localize many of those factories, nor have I been able to find many instances where a change from cheese making to butter making has taken place.

Mr. GARDINER: I had the figures here the other night when we were discussing it, but I do not know whether I can locate them at the moment. Would the hon. member mind if I got the information for him and give it to him to-morrow in typewritten form?

Mr. HACKETT: That is quite satisfactory.

Mr. TUSTIN: Cheese production this year is down considerably as compared with the same period last year. If my figures are correct it is down 35·8 per cent for the four months. The estimates provide for $1,750,000 for quality cheese, which is the same as was voted last year. In many instances the subsidy is not forthcoming to the cheese factories in the late fall and the patrons do not receive it for some time. Some cheese factories borrow the money and pay the subsidies and then wait until it is passed by the government for the ensuing year. Beginning June 1, cheese is being requisitioned for the British market. After that date all cheese manufactured in Ontario and Quebec will have to be sent to the dairy products board for shipment to the United Kingdom.

Does the minister think that, with the prices now prevailing for milk going into cheese, he will be able to supply the 125,000,000 pounds which we have contracted to ship to the United Kingdom this year? If he does not, then I suggest that some arrangement be made whereby, if all this $250,000 for the improvement of cheese factories and equipment is not required this year, an extra premium for quality be paid to producers. I believe the minister is on the right track in paying a subsidy for quality, because I think the records will show that since this subsidy was put on there has been a great improvement in the quality of cheese manufactured in this country. If the minister does not think he is going to get this 125,000,000 pounds of

cheese for the United Kingdom, when he brings down his supplementary estimates he should give further consideration to increasing the quality premium.

Mr. GARDINER: I do not want to discourage anyone, but our officials do not expect to get the 125,000,000 pounds of cheese for export this year, no matter what we do. Our feed position seems to be such as not to permit of that being accomplished. The only thing that may make it possible is particularly good grass during the summer. We are requisitioning all cheese after June 1 to go to the United Kingdom, but we are not requisitioning cheese in May. Some think that the figure we shall reach will be 115,000,0000 pounds and others think that we shall not reach even that. I took the position that we should not lower our sights, that we should aim at 125,000,000 pounds. This matter has been discussed with the British and they understand the position. They do not anticipate getting 125,000,000 pounds, but if we produce it they want it; they want even more than that if we can produce it.

Then, as to whether we shall make use of the $250,000, if we can get the equipment there will be no difficulty about using that vote, or perhaps even more. There is enough demand to use that up and perhaps we can get the equipment. We have voted $1,750,000 for premium subsidies, but I should not like to say that our estimates at the moment show that we shall reach that point.

The hon. member suggests that we should pay more. It is purely a question of whether we can maintain it, not only this year but at other times. It is most difficult to take off these premiums once you put them on. This premium has done very well up to date, as has been suggested. There is another danger to be faced. If you get it up too high, somebody takes it all off. Up to date we have been able to maintain it. Every time the estimates are under consideration before they come here the question is raised whether we should not take it off. It has been maintained at its present level and we have been able to indicate good results. I would hesitate to add another cent this year and then have somebody take it all off next year or the year after.

Mr. TUSTIN: In his remarks the other day on another item the minister suggested that prices paid in Canada were about the same as prevailing prices in the United States. I asked him if it was not a fact that most of the cheese manufactured in the United States was manufactured from skim milk, and I think he more or less agreed with me. I think the minister was making a comparison which was not fair to the farmers of this country. If cheese in the United States is manufactured from skim milk the farmer there has a benefit of three or four pounds of butter fat for every 100 pounds of milk he produces. Consequently the return to the farmer in the United States would be considerably above the return to the farmer in Canada. Will the minister make it clear whether cheese in the United States is produced mostly from skim milk?

Mr. GARDINER: Wisconsin cheese, to which I was referring the other night, is a cheddar cheese similar to our own. If you were to go to the United States and take cheese at different points you would get different results. The prices I gave the other day were the prices that had obtained. I became a little concerned about them myself, and I asked the officials to get me not only the prices but the subsidies that are paid on both sides of the line. Figured out on the basis of the return in Wisconsin on milk that goes into cheese, the return to the farmer is much higher than it is in Canada.

When you consider the subsidies which have been increased recently in order to get more cheese on to the market to be shipped to Europe and elsewhere, the total return from milk going into cheese in Wisconsin would be $3.03 per hundred. In Ontario, if you take a similar kind of cheese, it is $2.10, or a difference of 93 cents.

Mr. HACKETT: In Quebec it is much lower.

Mr. GARDINER: It is lower by the amount of the subsidy.

Mr. WEBB: I am fully aware that it is important to produce a high grade of cheese and almost equally important to have good buildings and good equipment. Would the minister briefly outline the procedure in making application for assistance in buildings and equipment and state the percentage of subsidy in both cases?

Mr. GARDINER: The act provides in the case of cold storage equipment that 50 per cent will be paid by the government and 50 per cent by the individual. The same provision is made with regard to buildings. We pay 50 per cent where it has been agreed that the improvement will be brought about. The procedure followed in making application is that the person or company writes in and we send out an inspector who inspects the plant and determines whether the improvement can be made and whether we would be warranted in spending the money necessary

to have it made. After the inspection, the application is passed by my office and then goes to council and goes through practically as an order in council.

Mr. HACKETT: Would a butter factory becoming a cheese factory be an improvement within the interpretation of the item?

Mr. GARDINER: I doubt very much if that happens. It possibly could happen indirectly through a person making application for assistance and putting up a new plant which replaces the creamery.

Mr. HACKETT: I suppose the converse would not apply in any event.

Mrs. STRUM: Are these outright grants to individual butter plants or cheese factories?

Mr. GARDINER: Yes.

Mrs. STRUM: And are cooperatives eligible for these grants?

Mr. GARDINER: Yes.

Item agreed to.

Special—

35. To provide assistance for the replacement of maple production equipment, $200,000.

Mr. BLAIR: Would the minister explain this item?

Mr. GARDINER: The item was $300,000 some years ago and now it is $200,000. In 1937 or 1938 the Americans were objecting to our maple syrup being shipped to the United States because it contained lead, and it was condemned as having lead poisoning in it. They would only permit our maple syrup to be used at that time for the purpose of sweetening cigarettes, and that applied to some of the syrup produced across the line. Upon investigation, we found that lead got into the syrup through the lead covering on the cans put out to catch the syrup and through the lead covering on the vats. They are covered with lead to prevent rusting. I am speaking from memory, because it was quite a few years back. The lead got into the sap in that way and finally into the syrup. We undertook to assist in improving the equipment on a three-way plan, the individual bearing one-third, the provincial government one-third, and the dominion one-third, of the cost of changing that equipment. The plan went along and we spent about $300,000 in one or two years before the war, but when the war started it was difficult to get the equipment, and the amount spent was very much lower. We are getting back now to the point where the equipment can be secured and we are going on with the programme. We have an item of $200,000 this year. If we are able to procure more equipment we shall come along with a supplementary, because we want to have this change made as rapidly as possible. This item is to pay our share of the cost of changing over to the new equipment.

Mr. FRASER: This is for up-to-date evaporators too?

Mr. GARDINER: Yes. It is changing over from the old equipment to the new.

Item agreed to.

Special—

36. To provide for administrative expenses, Agricultural Prices Support Act, 1944, $50,000.

Mr. CAMPBELL: Last session the minister stated that this act had not yet been proclaimed. Recently I understood him to say that the act had been proclaimed and that one member of the board had been appointed. I think it might avoid discussion if the minister would state just what the present position of the board is.

Mr. GARDINER: It is scarcely correct to say that a member has been appointed. We set up a board under the act. The act did not say that we had to appoint any particular persons, but simply appoint a board of three. We appointed what we intended to be the permanent chairman in the person of Mr. Taggart. Then we appointed Mr. Shaw, who is the director of marketing, and Mr. Booth, who is in charge of the economics branch of the department, as *pro tempore* members of the committee. We did that for two reasons. In the first place, they would have to direct the staffs that would be gathering the information in any case. In the second place, it did not require the paying of two extra salaries at a time when there was nothing to be done in the matter of administering the act itself. The only work to be done was to gather information with regard to conditions in the last three years of the war and keep comparable figures for the other years as we go along. That is being done by the staff under Mr. Taggart. Some of them are employees in the branches headed by Mr. Shaw and Mr. Booth. Until we require to bring the legislation into effect —we have declared it to be in effect but there has been no necessity up to the moment to operate under the act—it will not be necessary to appoint permanent members to the board. In the meantime, we are keeping it in its present form to save expenses, and the work is being done just as well by the present staff as if we had appointed two permanent members of the board. When we make the appoint-

ments we expect to have one man from the west, one from the east and probably one from the central provinces.

Item agreed to.

Special—
37. Agricultural research special projects, $200,000.

Mr. WRIGHT: Just what projects are being carried on under this appropriation?

Mr. GARDINER: The main one is carrying on experiments at Portage la Prairie in connection with flax. There is another research project being carried on at Lethbridge in connection with wool, and one at Morden which is being carried on more particularly in connection with fruits. These are not the type of project which I myself had in mind or, I think, which the committee had in mind when this appropriation was recommended some three years ago. I think that what was in the minds of those who were responsible for the appropriation being brought into being was some central research organization, somewhere in western Canada, which would be utilized for the purpose of carrying on in one place quite a number of these investigations. The equipment was not available with which to equip a plant of that kind, and it was difficult to get building material. This year it has been suggested to me that we take on a half dozen of these special projects again, and I to-day returned the suggestion to the director of experimental farms and asked him to reconsider it. I think the money ought to be spent just as soon as it possibly can be spent to establish a much more effective plant somewhere in western Canada which would do somewhat the same service for the west as much of our research work at the central experimental farm here is doing for the eastern part of Canada. I hope we shall be able to get started on it this year. If not, we shall utilize the money to go on with the investigations at a number of points.

Mr. WRIGHT: The reason I asked was that I wondered whether the work was to be carried on at Saskatoon, where, I believe, the national research council are constructing a laboratory.

Mr. GARDINER: The Minister of Trade and Commerce had a vote for that. It is not covered under this vote.

Mr. WRIGHT: It is the same amount, and I wondered if it was the same vote, or if you people were going to work in conjunction with them. It might not be a bad idea, because probably it could be done more economically in one place rather than by erecting separate buildings

Mr. GARDINER: I understand that the other project is likely to be carried out at Saskatoon. I think that is the understanding of all three provinces. That is one reason why we have been waiting; we do not want to proceed with this until we know what will be done in that respect.

Item agreed to.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

200. Departmental administration, $422,774.

Mr. FLEMING: It is the custom, I believe, to make some remarks of an introductory nature on the first item of a department's estimates. I promise that these general remarks of mine will be brief and, I trust, to the point.

Of the importance of the work of this department in the two fields of health and welfare there can be no question whatever. Actually there is not much time spent in this chamber in discussing health and welfare, but I take it as a matter of common ground on the part of us all that these are matters of the highest importance to all Canadians.

I should like to indicate in just a word what will be the attitude of the official opposition with respect to the estimates of this important department. We find, in the first place, that there is a substantial increase in the estimates submitted to us for 1946-47 in comparison with those of the previous year. The increase is largely accounted for by the fact that family allowances will this year be paid on the full twelve-months basis instead of the nine-months basis which prevailed in the previous year. But actually we find proposed in these estimates an increase in the expenditure of the Department of Health and Welfare from a total of $242,372,257.27 in the previous year to a figure of $305,064,716. I am including the items which will be found on page 72 of the main estimates. It will be seen that there is an increase totalling $62,692,458.73 this year as compared with the estimates of last year.

The attitude of the official opposition with respect to these estimates is simply this. Appreciating as we do the tremendous importance of health and welfare, we nevertheless will expect justification for each appropriation sought. It will be our duty in scrutinizing these estimates to see that the taxpayer receives value for the money that he is being called upon to pay, a fair dollar's return to the people of this country in health and welfare for each dollar collected in taxes.

It is a matter of regret—and perhaps I am being rather brash in undertaking to criticize the form of the estimates—that we do not

have before us the actual expenditure in the previous fiscal year. We are given simply two columns: first, the appropriation for the previous year; then, the estimate for the year before us. We are not given the figure of actual expenditure. Compare that with business practice, Mr. Chairman. I do not suppose there is any business which would attempt to set up a budget of estimated expenditure for the current year without having before it the actual expenditure for the previous year, not simply the budget of the previous year, the estimate of expenditure, but the actual expenditure. It is no greater criticism of the form of estimates of this department than of any other that we are not given that information. That is definitely a shortcoming in the form in which estimates are submitted to parliament.

There is another factor which I think hampers the effectiveness of the work of the House of Commons in relation to the estimates. We are not furnished with the report of the department in question for the immediately preceding fiscal year. The last report of the Department of Public Health and Welfare which is issued is the report for the fiscal year ended March 31, 1945. We have no information concerning the detailed operations of the department for the past fourteen months. There will be found in certain of the statutes provision that some of the items which appear in the annual report of the Department of National Health and Welfare must be submitted within three months of the conclusion of the fiscal year. This means that some of these items must be laid before parliament in the form of a report not later than June 30, but, reaching these items as we do on May 30, we are labouring under the handicap of not having that report for the immediately preceding fiscal year.

I make no apology whatever for returning to a theme on which I have spoken once or twice in this house. I dealt with it when we were on the estimates of this department in the fall session. I think we are surely finding day by day the need of a standing committee of this house on health, welfare and social security, and with it I would include housing, because, to my way of thinking, housing must be regarded as inseparably related to the problem of health in this country. We have, of course, an informal committee of the two houses at the present time. It has existed for a number of years; it has no official standing; it is doing good work; but I am satisfied that a standing committee with some official status could do better work. If we had such a committee, I suggest that the study of the estimates would furnish it with an opportunity of making an effective contribution, both to a careful, systematic scrutiny of the estimates of the department, and to saving this House of Commons valuable time.

A good deal of time spent in consideration of estimates is devoted to obtaining information from the minister as to a multitude of details in relation to the administration of his department, information which, it seems to me, could just as well be obtained in committee. It would then be a matter of record. Those members who wanted information could always find it there and much valuable time would be saved. That is one great service which a standing committee could render in this field.

I think it is patent as well that such a committee would be helpful to parliament in analysing a great many proposals that are put before individual members in the field of social security. I expect that everyone of us receives from time to time ideas of different individuals as to schemes of social security, and it would be most helpful if there were a standing committee which could review such proposals and make a constructive study of them. I think also of the valuable contributions in the form of proposals put forward from time to time by labour organizations in this country. I take it we are all conscious of the obligation that we owe, both as parliament and as citizens, to labour organizations for the thought and study which organized labour has devoted to problems in the field of national health and welfare. There is no class in the community which has given more constructive thought to problems of national health and welfare than has organized labour in Canada. We do not do justice to these proposals at the present time, nor shall we do justice to them until we have some body which is capable of giving thought and study to the subject in an official way, such as a committee of the house.

It would be helpful also if a committee of the house had an opportunity of direct contact with the officials of the department, many of whom have no doubt had much to do with framing the estimates now before us. It would be interesting to have the views of some of these officials at first hand and to question them. That would be of great assistance to members of the house in the discharge of their duties.

In concluding my remarks on that theme, I hope that the Minister of National Health and Welfare will be able to persuade his colleagues that the time has come when the rules of the house ought to be revised at least to the extent of providing for the estab-

lishment of a standing committee on health and welfare and social security; and, as I have said, I would include housing in it.

It is difficult to approach a review of the functions of this department without having an eye on the sometimes difficult question of the borderline of jurisdiction as between parliament on the one hand and the legislatures of the provinces on the other, in the field of public health and welfare. It is not my intention to precipitate a debate or discussion on the proposals submitted by the dominion government to the dominion-provincial conference. I believe that last year we did our best to assist those engaged in that conference, and those engaged in the meetings of the economic committee, between the two sessions of parliament, by refraining—as I described it on an earlier occasion—from muddying the waters of the conference. It is a matter of hope on the part of all of us that anything that is attempted in this field will be done in the spirit of cooperation, but I do lay stress on one or two principles in this respect. I am sure the minister has them in mind, but they are principles of leading importance in this field.

Due recognition must be given not only to the constitutional prerogatives of the provinces, as those which possess jurisdiction in the field of administration of health and welfare services under the constitution, but also to the desirability of keeping our practice close to that constitutional position. I think it is axiomatic that we shall have the best administration of health services and the best administration of welfare services as well if the governments immediately responsible for such administration are those closest to the people. It has always been my view that the closer the administration is to the people concerned in the fields of health and welfare, the better will be our administration, the more efficient, and the closer it will approach its objective of meeting direct and proven social needs.

With that in mind, I urge that, apart from those specialized fields which the constitution vests in the dominion, such as quarantine and the health of civil servants and so on, we must avoid overlapping as between the dominion and the provincial administrations.

We shall do well, in the second place, to avoid centralization. The fathers of confederation are sometimes not given justice. There is a feeling on the part of some that there is more wisdom in the year 1946 than there was in the year 1867. The fathers of confederation exercised vision and foresight when they devised a constitution which places the administration of health and welfare services under the jurisdiction of the provincial legislatures. If we avoid overlapping on the one hand and centralization on the other, I think we shall avoid waste and duplication.

Let us at all times seek to keep administration in the fields of health and welfare close to the people. Let us, in approaching these twin fields appropriately linked in one department, ever keep before us the imperative necessity of maintaining close cooperation between the dominion and the provinces. The act under which the minister administers his department recognizes the limited field assigned to the dominion by the constitution in these matters. The principal functions assigned to the department under the act of 1944, establishing this department, are, with the exception of those specialized fields I mentioned a moment ago, research and assistance to the provinces with information. There is useful work to be done in those fields, but I urge that the dominion will make its best contribution to national health and welfare if it has due regard for the constitution.

Mr. NICHOLSON: Would the minister care to make a general statement regarding the first item? It might be mentioned that his department has prepared three useful studies in the whole field of health services during the last few years, and I am sure that the people whose interest in health was aroused by these studies expected that some constructive steps would have been under way by this time had the dominion-provincial conference been more successful. I personally would appreciate some statement by the minister regarding future plans, since seven of the nine provinces were prepared to reach some agreement with the federal authority with minor adjustments. It might not be too much to expect that the federal government might be prepared to enter into negotiations with some or all of these seven provinces in the fields in which there has been some general agreement. Would the minister make some statement regarding plans as to where we go from here?

Hon. BROOKE CLAXTON (Minister of National Health and Welfare): In answer to the hon. member who has just taken his seat, I would refer to the statement of the Prime Minister of May 9, which appears at page 1345 of *Hansard*. He was asked for a statement on the dominion-provincial conference, and he said that a discussion on that and of the developments that were necessary would be entered on by the Minister of Finance when he came to present his budget. I am afraid that any discussion I entered on now would be in anticipation of that. Unless the hon. member has some matters particularly related

to health and welfare, such as the health proposals that form part of the dominion governments proposals to the provinces, I am afraid I might be anticipating something that more properly might be entered on later. However, if there are any points he would like to have answered as to the attitude of the government, the course of the discussions in the conference and the meaning of the dominion government's proposals on health and welfare as made to the conference, I should be only too glad to go into them just as fully as the committee might wish.

With regard to the remarks of the hon. member for Eglinton, he expressed regret that he did not have a statement of expenditures to compare with the estimates. That, of course, is a comment that might be made about the estimates in any year and of any department. The statements of expenditures are not put in the estimates, but they are put in the public accounts, and the public accounts come out just as soon as they can be prepared.

The hon. member spoke about the desirability of comparing expenses in this department in a previous year with the estimates for this year. I regret that that is not possible because there are no expenditures for a full previous year. The department was not in full operation for a full year before; therefore, there are not any comparable figures even to be found on reference to the public accounts. He also referred to the fact that the last report for the department is for the year ended March 31, 1945. That report is furnished to parliament in accordance with section 11 of the act. It was tabled well in advance of the time that might have been usual, and the report for the year ended March 31, 1946, will be tabled in due course in accordance with the act.

The hon. member referred to his own suggestion made in a motion which he had on the order paper that a special committee should be—

Mr. FLEMING: A standing committee.

Mr. CLAXTON: —a standing committee should be provided for in the rules to deal with matters of health and welfare. That suggestion might very properly be made to the special committee which is advising Mr. Speaker on the rules of the house. I am sure that if the committee reports in favour of the establishment of such a standing committee the government will have to give serious consideration to that report. I must say that my own idea with regard to this some time ago was that there should be such a standing committee; but on considering the matter and looking into the practice in the United States and in England, I am coming to the view that it probably would be a mistake for us to have a number of standing committees dealing with the functions of different departments, such as they have in the United States. That leads to a totally different parliamentary system, one which is very much more similar to that in force in the United States than that on which we have modeled our own parliamentary system, namely, the parliament at Westminster, where they have no functional committees. They have five standing committees, and matters are referred to one or another of the committees by Mr. Speaker. From such examination as I have made of it, and comments made in England, I believe that the British procedure is the best; that the multiplication of functional committees in the United States leads to an effort by committees to administer departments. I believe that experience has shown that our system is as good as, if not better than, any in the world. Therefore, on that point, on which I have an open mind, I certainly am not convinced that we should change. I think we should consider most cautiously the institution of standing committees which have a definite relationship with the department and to which estimates would regularly be referred.

With regard to the hon. member's comments on the constitutional position, of course we are fully alive to that. Under the provisions of the constitution the primary responsibility for health and welfare generally rests with the provinces. Paragraph 7 of section 92 of the British North America Act gives power to the provincial legislatures to enact laws in relation to:

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

When the hon. member suggests that there should be no overlapping and that we should each exercise jurisdiction within our appropriate fields, I should like to ask him what functions of the department he would like to see estopped. Would he suggest that the family allowances provision, the old age pension provision—

Mr. FLEMING: I say that there should be no overlapping. I am speaking of the policy of the department.

Mr. CLAXTON: We are careful to avoid overlapping, and also in accordance with his suggestion we tried to secure the most effective cooperation with the provinces. I must say that generally, cooperation has been forthcoming.

Item stands.

Progress reported.

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

Friday, May 31, 1946.

The house met at three o'clock.

JAPANESE IN CANADA

REPATRIATION—DELAY IN DEPARTURE FROM VANCOUVER

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, yesterday on the orders of the day the hon. member for Rosetown-Biggar (Mr. Coldwell) asked a question concerning communication between Japanese repatriates now at Vancouver awaiting transportation to Japan and local persons. It was anticipated that these repatriates, who are groups from Ontario, Manitoba and Alberta, would go on board ship within a day or two after reaching Vancouver. However, there has been a few days' delay in the arrival of the second ship in Vancouver, owing to the necessity for completing ship repairs, and it has been necessary to provide for the housing of these people in the immigration sheds at Vancouver in the meantime.

There are a number of people in Vancouver who want to talk to these repatriates, and it has been found desirable to make orderly arrangements to limit communication of this nature to responsible parties who have legitimate reasons. We have appointed an officer for this purpose, and all reasonable requests are being met. It must be remembered that the supreme allied commander in Japan has prescribed strict limitations on the types of currency, securities for money, and nature of personal property which can be taken on board ship, and the government is responsible to see that these provisions are complied with. Priority in time of staff and repatriates at Vancouver is being given to the carrying out of these provisions. I may say that the first ship is in dock in Vancouver to-day, and repatriates are being placed on board.

LABOUR CONDITIONS

CURTAILMENT OF PRODUCTION IN STEEL PLANTS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I should like to direct a question to the Minister of Reconstruction and Supply based on a telegram which I have received from the steelworkers union in Sydney, a copy of which I have sent to him. Was it on the fuel controller's orders that operations at the Sydney plant in the production of steel have been drastically curtailed? If so, can the minister give the house any valid reason why conditions in a section of the country which is badly affected by unemployment should be further aggravated by this order?

Hon. C. D. HOWE (Minister of Reconstruction and Supply): As a result of an order of the fuel controller, coal suitable for conversion into coke has been moved to St. Lawrence ports to relieve a very serious lack of domestic fuel. This situation has resulted from the coal strike in the United States. Every hon. member will appreciate that if any considerable body of labour goes on strike, other bodies of labour are affected. That is the situation in this case. It has been necessary to take coke from another steel plant in order to relieve an urgent demand for domestic fuel. I hope the situation is reasonably temporary, but as long as the emergency lasts it will be necessary to continue this diversion.

Mr. GILLIS: Has there been a curtailment of steel production in other plants across the country?

Mr. HOWE: Yes, particularly at Sault Ste. Marie. Coke taken from that plant is resulting in a limited curtailment of steel production. The curtailment is entirely in connection with the production of steel rails, which happens to be a form of steel which is not urgently required. I understand that the production of steel rails has been curtailed at Sydney and Sault Ste. Marie to provide coke for domestic purposes.

TEXTILE STRIKE AT CARLETON PLACE, ONT.

Mr. W. G. BLAIR (Lanark): I should like to ask the Minister of Labour a question. Will he make a statement on the Carleton Place textile strike?

Hon. HUMPHREY MITCHELL (Minister of Labour): A commissioner has already been appointed to conciliate the dispute upon the

request of the minister of labour for Ontario, and I think it would be wise if we said nothing, awaiting his efforts to settle the dispute.

LUMBER INDUSTRY—STRIKE IN BRITISH COLUMBIA—FOOD CONTAINERS

On the orders of the day:

Hon. GROTE STIRLING (Yale): May I ask the Minister of Labour whether he is able to make a report on the efforts being made to get the box factories in British Columbia working again?

Hon. HUMPHREY MITCHELL (Minister of Labour): I am hopeful that I shall receive a report from Chief Justice Sloan to-morrow on his efforts to conciliate the dispute.

VETERANS AFFAIRS

PRIORITIES IN PURCHASE OF FARM MACHINERY

On the orders of the day:

Mr. W. A. TUCKER (Parliamentary Assistant to the Minister of Veterans Affairs): Mr. Speaker, on May 21 last the hon. member for Queens (Mr. McLure) asked the following question:

Are veterans who own or purchase their own farms entitled to priority in purchasing farm machinery and do they receive the ten per cent special discount?

The answer is as follows: Veterans establishing themselves without assistance from the Veterans' Land Act can obtain a certificate of identification from any office or field man of the Veterans' Land Act. Implement companies have agreed to give preferred treatment to all veterans presenting this certificate, and so far this has worked out very well in so far as machines available are concerned. They are not, however, entitled to any discount but implement dealers in many cases have voluntarily granted discounts.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

200. Departmental administration, $422,774.

Mr. NICHOLSON: In view of the fact that these estimates will not be before the house for another year, I was hoping that the minister would have been able to hold out more hope to the committee as to the intention of his department to cooperate with provinces which are prepared to discuss with the federal government plans for the future. It was demonstrated during the war that the health of the Canadian people was a matter of national concern. In order to wage war effectively it was found important to recruit healthy men and women and provide them with the very best medical, dental and hospital facilities. Many of these young men and women, for the first time in their lives, were able to have the most up-to-date treatment in times of illness. Many of them have now been discharged from the armed forces and are returning to various parts of Canada which have not the facilities which they enjoyed while in the service. Young men and women from my area, for example, left a district in which we now have three dentists to serve 57,000 people, or one dentist for 19,000 people. In the service, whether in the army, navy or air force, there was one dentist to every 500. It is going to be very difficult to explain to those discharged from the forces how Canada during the war from 1939 to 1945 was able to supply one dentist for 500 people when both before 1939 and after 1946 these young people will have to live in communities so sadly lacking in these facilities.

The situation is nearly the same so far as medical personnel are concerned. In my area we have ten medical doctors serving a population of 57,000, which works out at one doctor for 5,700 people. In the very excellent report which has been presented, prepared by the Canadian medical procurement and assignment board, is given an analysis of the supply of doctors and dentists across Canada. It shows a very wide variation. In Prince Edward Island there is a doctor for 1,659 people, and the figures for the other provinces are: Nova Scotia, 1,450; New Brunswick, 2,136; Quebec, 1,206; Ontario, 1,068; Manitoba, 1,438; Saskatchewan, 2,078; Alberta, 1,626; British Columbia, 1,168.

It seems strange that in Saskatchewan we have the lowest ratio of doctors per thousand of people of any province in Canada; yet we recruited more doctors per thousand than any other province. I am happy to say that many doctors from other provinces are now turning longing eyes to Saskatchewan with a view to practising there. It would be very difficult for Saskatchewan to provide out of her own resources the medical, hospital and dental services which the service personnel received during the war, and so I think this is a matter of national concern. In Ontario you have paved roads and good telephone communication all over the province, so that a doctor can answer a call at a few moments' notice, and in that province there is one doctor to 1,068 people. But in Saskatchewan we have very few miles of paved road, a very small mileage of gravel road, and huge distances to cover, and we have only one doctor for 2,078 people. Up in the northern area where I live we have

only one doctor for 5,700 people. It must be recognized therefore that this is a national problem and that the people living in these remote areas should have made available to them the type of services that Canada can provide.

The table regarding the number of dentists is similar. In Prince Edward Island there is one dentist to 4,272 people, and the figures for the other provinces are: Nova Scotia, 4,345; New Brunswick, 6,442; Quebec, 4,134; Ontario, 2,587; Manitoba, 3,881; Saskatchewan, 6,095; Alberta, 4,945; British Columbia, 2,743. This works out at an average of one dentist for 3,477 people. In the armed forces there was one dentist for every 500 people. Young men and young women in the prime of life in the armed forces would normally require a minimum of work done on their teeth, and yet they had one dentist for 500 people, whereas the average for Canada is one dentist for 3,477. Obviously there is something wrong. The federal department of health should at this stage be prepared to indicate the pattern that might be followed, and also make it clear that the department is prepared to go along with any province that will proceed to introduce a programme to meet our needs. I realize that it would be impossible in any part of Canada to have the ideal set-up next year or the year after, because it takes many years to train doctors and dentists. But we should be proceeding in the field of health in exactly the same way in which we proceeded in the field of defence during the war. Disease is an enemy that we should be worrying about. I will mention two of our most serious problems.

In the publication entitled "Health, Welfare and Labour", a reference book prepared for the dominion-provincial conference, on pages 14 and 15 we have statistics in connection with the death rate from tuberculosis. Only two provinces in Canada are giving complete and free treatment for tuberculosis, namely Saskatchewan and Alberta.

Mr. JOHNSTON: Alberta comes first.

Mr. NICHOLSON: No, Alberta does not have to come first. Alberta did not introduce free treatment as soon as it was introduced in Saskatchewan. I cannot take credit for the free treatment in Saskatchewan for the C.C.F. government, because the service has been provided for many years. We in that province found twenty-five years ago that it was good business to spend money on preventing the spread of tuberculosis and providing free treatment for all those who suffer from it, and for many years we have had one of the lowest death rates in the world. If you leave the Indian population out of the picture, in 1943 Alberta had a slightly better record than Saskatchewan; the death rate in Alberta was 18·2 as compared with 18·3 in Saskatchewan. But consider Manitoba, right next door to us, where you have a similar group of people under similar climatic conditions, but where they have not been as progressive in dealing with this problem: there, the average between 1938 and 1942 was 48·2 as compared with 28·7 in Saskatchewan. If you consider the death rate among Indians you have the shocking figure of 1421 in Manitoba. I am not proud of our figure for Saskatchewan, namely 752. It is away out of line with what it should be in a modern civilized society.

During the war I visited the United States hospital at Churchill, Manitoba, and talked with some of the doctors there who had made emergency flights to visit some of the Indian communities. They said, "You Canadians should be ashamed of yourselves for tolerating the conditions which prevail in many of these Indian communities where the original settlers in Canada have been denied medical, hospital and dental services." They said, "We understand you spend large sums of money in sending medical missionaries to China, India and Africa. That is a fine gesture, but why have you not been concerned about providing hospital, medical and dental services for your own Indian population?" I find from the analysis made by the department that in the past the provinces have not been able to deal with the problem adequately, and it is not too much to expect that grants should be made available to provinces which carry out a scheme which complies with the minimum set by the federal authority. More beds are needed in most of the provinces; and I think, until the federal authority takes a greater interest in this disease, we are not going to be able to show for all Canada statistical results such as we have in Saskatchewan.

I should like also to refer to the pages of this publication which deal with the analyses in connection with mental diseases. Practically every province in Canada is very short of facilities for mental patients. I find that in most provinces there is an excess of the daily average population over the bed capacity in mental hospitals, as shown on page 23 of the report, running to as high as 61 per cent in British Columbia. Again our statistics for Saskatchewan are not satisfactory; we have a very large number of patients there in proportion to the number of beds available, but plans are now being made to correct that condition. In Saskatchewan we are trying to face up to these problems.

The premier of the province is the minister of public health; and on the resources which we have available they are trying to establish new patterns. I was interested in seeing in the last number of *Health* an article entitled "Winged Samaritans", by Christian Smith, telling of the air ambulance service provided by the Saskatchewan department of health. In the article it says:

> It is believed to be the first government-operated service of its kind on this continent. Courageous bush pilots have dashed into the sub-Arctic on mercy missions.

So far as the writer knows, it is the first time that any government or department of health have provided this service. Last night I had guests in for dinner—a young chap back from the navy, and his wife, who is a trained nurse. She was telling me that her brother, a former R.C.A.F. officer, owes his life to the service of this Saskatchewan air ambulance. The taxpayers of Canada, according to a figure quoted by the former minister of national defence for air, spent approximately $28,000 on training him to be a navigator. He had served his country faithfully, and after discharge became critically ill at his home at Wadena, Saskatchewan, last winter, and there was no hope for his recovery unless he could get away to the city. He was unable to make the trip by train, but in a few hours the air ambulance was sent down, the trip was made safely, and while he has not yet completely recovered it is felt that he owes his life to this service. I do not know how many lives have been saved by this air ambulance service; but there is no reason why the people of this country, who made that kind of provision for casualties during the war, should not be prepared to provide it for citizens in peace time.

I remember being at the Dafoe airport during the war. I was going through one of the finest small hospitals one could expect to find, where the patients were receiving the very best of care. One of the patients was not responding as rapidly as might be expected, and while I was there the air ambulance came in from Winnipeg. Nobody asked how much it cost to bring that ambulance from the city; the only questions asked were, "Is there an air ambulance available?" and, "Is there something which can be done in Winnipeg which cannot be done in Dafoe?" The answers were, yes, and this young airman's life was saved through his being transported to a city which, by air, is really quite close. I think the federal department of national health should be prepared to give some assistance to all isolated localities in Canada where the local authorities would be prepared to cooperate in providing air ambulances for sick people.

I think the federal authority might also be expected to make grants to try out some experimental work in new fields. Last winter I visited in Oakland, California, the Kaiser hospital, an institution which has done such a spectacular job during the war. There were about 80,000 workers in the shipyards for whom complete medical and hospital services were available at the hospital. Doctor Garfield, who is in charge of the hospital, in one of the articles he prepared for the medical association explained that this was not a very popular project with the members of the medical profession; they frowned on any form of group practice where doctors worked on a salary. The scheme embodied three major principles: free treatment, group practice, and adequate facilities. It is true that the doctors who were working on salary were not receiving as much as many of them would have received in private practice during the war, but they were getting salaries of from $5,000 to $15,000 a year, and they were working approximately an eight-hour day. Of course a doctor, if he was in the middle of an operation, did not put away his instruments when the eight hours had passed, but on the whole they worked around a 48-hour week. They had some time for golf and fishing, and they worked as members of a team. They had adequate facilities. They built hospital accommodation to care completely for the eighty thousand who were working there, and the patients, the members of the staff and the people in the community were loud in their praise of this type of project. I cannot see any reason why the federal department of health should not be prepared to make substantial grants to the provinces that are ready to do experimental work in fields such as I have suggested. I suggest that before these estimates are brought down for another year, the minister endeavour to work out some technique whereby the provinces that are prepared to take seriously the analyses and recommendations made by the federal government during the last four or five years in the general field of health may be given some assistance so that we shall have experimental work carried on in the several provinces.

Mr. BLAIR: I am very much interested in the remarks of the hon. member for Mackenzie, particularly as they concern the question of tuberculosis. I congratulate the province of Saskatchewan on the work they have done in regard to tuberculosis. Their programme is at least twenty-five years old; but the hon. gentleman stated that the only free treatment given was in Alberta and Saskatchewan.

Mr. NICHOLSON: Complete.

Mr. BLAIR: I should like to point out to him that Ontario has been for some time holding chest clinics in towns throughout the province. A chest clinic with complete X-ray equipment comes to my own town twice a year. Appointments are made through doctors, and everyone caring to go, or cases referred by doctors to the clinics, will have diagnosis made, and in the event of their being tubercular they are taken care of in the sanatoria of the province. At the present time also, in Ontario, mass surveys are being carried out. People in the towns in my constituency are being X-rayed. Next week 4,300 will be X-rayed in my own town, without cost to them. There is a shortage of beds, but that is being taken care of.

The hon. member also pointed out some of the benefits derived from practising medicine in Saskatchewan. I would never have believed that such a condition existed. I cannot believe that doctors are getting $15,000 a year and working forty-eight hours a week.

Mr. NICHOLSON: That is in California.

Mr. BLAIR: Does the hon. gentleman suggest it is so in Saskatchewan?

Mr. NICHOLSON: Not yet.

Mr. BLAIR: Does he hope it will be? I should like to ask the hon. gentleman what would happen in case his wife were ill.

Mr. NICHOLSON: They have a large staff of fifty or sixty doctors working as a group in the X-ray clinic in Oakland. The doctors do not lay down their instruments in the middle of an operation. If a doctor works sixteen hours one day he does not come to work the next day. They organize their work in such a way that the doctors put in approximately forty-eight hours a week.

Mr. BLAIR: That would be impossible in a rural district where one doctor has charge of the district.

Mr. NICHOLSON: This is in Oakland.

Mr. BLAIR: Often a doctor in a large area will work twenty hours a day as an hon. member suggests.

There is one question I should like to discuss this afternoon. In going over the estimates I find little in the way of grants for public health research. This is something that has been neglected in Canada. Little research has been carried out by the dominion, and very little by the provinces. The high incidence and high mortality in certain diseases would indicate that they constitute problems which should be subjected to intensive research. If Canada has reached the status of a nation, the responsibilities of a nation in the protection of the health of its citizens should be undertaken by the state. That applies to research, which I am especially considering this afternoon.

In the closing days of the previous session, during the discussion of the health estimates, I inquired of the Minister of National Health and Welfare as to the research being carried out in Canada at the present time. He replied that it was being carried on by universities, hospitals, institutes, "and the like", with assistance from the national research council. This is far from an ideal situation, as it is only by advancing our knowledge that effective or preventive treatment can be accomplished.

Let us consider the disease of cancer. Cancer kills one in every eight people in Canada. In view of this serious situation, Ontario is at present carrying on a campaign for subscriptions to the Ontario cancer fund, to be used for the purpose of dealing with this dread disease. In Canada the King George V silver jubilee cancer fund, raised in 1935, amounted to $500,000. From 1937 to 1940, $14,000 was paid out of that fund each year to the cancer committee of the Canadian Medical Association. In 1940 it was agreed that half of the grant should be paid to the association. In 1942 the grant to the association was reduced to $7,000. I would like to point out that this is a cancer fund raised by the citizens, and not money voted by the government for cancer research or treatment. It was, however, pointed out by the minister that cancer research is being carried on in England and the United States, and that if we were to do anything effective "we would have to do it on a large scale as we do not wish to duplicate the work being done in other countries." It would seem from this reply that our attitude in Canada is to wait and follow the results of research in other countries. This suggests the question, do we wait, in Canada, until a cure has been discovered? It would seem to be the attitude of the department, in spite of the fact that this disease is responsible for the death of one in every eight people in Canada. Everyone is acquainted with the long course of the disease and the terrible suffering it causes.

I have had pathetic requests from all over Canada for research in respect to arthritis. Almost every member has had such requests, though possibly I got more than my share. It is a disease of long duration; it has been called Canada's No. 1 crippler. The cause is not known. No accurate records are available, but the number of sufferers from this disease is estimated at from 100,000 to 400,000, and it accounts for a greater number of days lost than from any other chronic ailment except nervous and mental diseases. Sir Kingsley Wood, British Minister of Health, says, "Rheumatism

among insured males is responsible for 16 per cent of the total sickness and disablement." In Canada there is only one hospital equipped for specialized treatment of arthritis, and they accept only seventy-five paying patients. Millions of dollars are spent annually by patients for treatment, but it continues to cripple and deform, and those afflicted suffer untold agonies. Apart from the loss to the industrial life of the nation, the outlook for those afflicted is dark, suffering as they do from a disease without any known cause or effective treatment. Under present conditions there is as yet no ray of hope to brighten their lives. No work is being done by the national research council regarding this disease.

The seventh cause of death for all ages in Canada is tuberculosis. It is the first cause of death for the age group 15 to 45. Thirty thousand Canadians died of tuberculosis in the years 1939 to 1943. Saskatchewan has carried out a campaign to control this disease within the province for many years. Ontario has a very active campaign at the present time, and mass X-rays of the population are being conducted. Not only is there a very high mortality rate, but owing to the fact that it is so easily transmitted from an infected to a healthy person, every means should be taken to arrest the disease. The high death rate in Canada calls for investigation and research.

Last fall I asked the minister certain questions regarding maternal and infant mortality. There is no research being carried on; it is largely confined to educational programmes. The high infant mortality rates in Canada are much higher per one thousand live births than in England, United States, Australia or New Zealand. In a young and growing nation such as ours we cannot afford to lose such a high percentage of our future citizens. As regards maternal mortality, our rates are comparable to Australia, slightly below the United States, but not as good as New Zealand, England and Wales. These facts would indicate that we are remiss in our duty if further investigation is not made into the cause of these high mortality rates.

According to the statement made by the minister last December, research in Canada is carried on in institutions such as the Banting institute, Toronto; the Connaught laboratories, Toronto; McGill university, and other hospitals and laboratories. He also stated at the last session that research at present is not a function of the federal government, and not very much function of the provincial governments. It may therefore be called nobody's child at the present time.

Let us take, for example, one institution, which I had occasion to visit a week or so ago. I became interested in the marvellous work being carried on in this hospital, the neurological institute of Montreal. Patients are admitted for neurosurgery from all over Canada, and in fact all over the world. They had patients from Palestine, from Arabia, from every country of the world. The outstanding results in neurosurgery obtained during the last war are largely the result of the research carried on by Doctors Cone and Penfield; and not only does this institution do its own work, but it trains young surgeons in neurosurgery. After three of four years' training these young surgeons go out all over Canada, in fact all over the world, to carry on this work. It is one of the finest institutions of its kind; yet it has been starved financially. It would be a dire calamity if this institution were forced to close its doors and the research should have to be discontinued for lack of funds. It has done much for the cause of humanity.

It is true that the demand for research will entail the expenditure of money. But we might very well curtail expenditures in other matters, as there is no problem we face which is more important than the health of the people.

One Sunday in February I listened with much pleasure to a radio address of the minister, in the course of which the minister said—this is as close as I could get to it:

> One measure of a nation's greatness is the efficiency with which it cuts disease and death rates. We have been satisfied too long with the provision of hospitals for the care of those who should not be ill and the provision of charities for those who should not be poor.

I fully agree with the minister's statement, but I should like to point out to him that in Canada we are doing very little to eliminate the diseases responsible for the highest percentages in our death rates. The suffering of those afflicted by a disease such as cancer should in itself be sufficient to stimulate more concentrated research for knowledge of causes and cures.

The standard of our Canadian universities rates very high among educational institutions in the world. Our medical colleges and the science faculties of our universities are graduating many students who are anxious to carry on research and are capable of doing it. It is an unfortunate fact that on graduation many of them are forced to leave this country and become citizens of the United States where there is a broader field and more lucrative positions are available so far as scientific investigation is concerned.

Mr. KNIGHT: When the committee rose last night we were discussing the formation of a standing committee on public health

and welfare. If I remember rightly, the hon. member for Eglinton included the subject of social security.

Mr. FLEMING: And housing.

Mr. KNIGHT: Public health and welfare and social security are matters which surely deserve the attention of any Canadian citizen. Certainly they are of sufficient importance to engage the attention of a standing committee of this house. There is in this country an aroused social consciousness in regard to public health, as evidenced by the success of and the interest taken in campaigns against venereal disease and cancer.

In the province from which I come, Saskatchewan, as my colleague the hon. member for Mackenzie has pointed out, much attention is being paid to these things at the present time. The government of that province has been criticized for the heavy expenditures on matters of health; but so far as I am concerned I am proud that four times as much has been allotted in the current budget for expenditures of the department of health as was allotted by any former administration. The opportunity, and I may say the need, for welfare work has been enormously increased in Canada by the recent war. I myself have been for some years connected with family welfare work, and I am amazed at the number of problems which arise in connection with returned service personnel. Wars always increase there maladjustments and produce the emotional upheavals which cause social disease. While I am on the subject may I point out that there is a great dearth of trained family welfare and social workers, and agencies have been compelled to carry on understaffed and without benefit of persons properly trained.

Social security has a distinct bearing upon public health and welfare. There is a lot of truth in the statement that social security would spell the doom of a great many of our social diseases. It is my opinion that the time which hon. members of this house might devote to the study of this subject in committee would be time well spent.

I should like to draw the attention of this committee to two or three things which I think should be studied by such a committee. I believe these matters have already been drawn to the attention of the government by the Canadian Welfare council. On their behalf, as well as on my own, I should like to put some of them on record.

First, a national council in the welfare field might well be set up to compare with the present Dominion council of health. Such a council might synchronize and correlate the work of the various provinces. Of this there is much need. A national point of view would increase the general standard, and progressive action in one province, of which we have some examples already, would stimulate the action of other provinces along social service lines.

The second point is the confusion of residence—and I am thinking in regard to family welfare work in particular—in respect of eligibility for municipal assistance. When a person moves from one municipality to another he loses his right to assistance. He is nobody's child and so becomes a problem. I have in mind a case which was drawn to my attention last winter. A woman and her three children were living in a shack, and the only thing they had on which to live was the children's allowance which they were receiving from the government. The reason was that her husband, who previously had been a very good farmer, refused to cooperate in any war work; therefore he had been spending a period of three years in gaol or in work camps. This woman, unable to cope with the problems which she had on the farm—unable, for instance, to pull water out of a deep well for the cattle—moved into the city of Saskatoon. When her resources were depleted she became dependent upon the allowances of her children. It is an actual fact that nobody had any responsibility for her. The city, of course, had no responsibility, because she had not been long enough in residence. The province said they could not do anything for her unless she were to move back to the municipality whence she had come, and the municipality whence she had come said exactly the same thing. But the woman had not a dollar; she could not move anywhere, and if she did go back there she would have nowhere to live and nothing to eat.

In the same connection I might mention the case of a person taking temporary employment somewhere else, in a different town or province. What we appear to need is a channel cutting through which will enable people to move to different parts of the country in pursuit of their livelihood without jeopardizing their right to the social assistance they would have received in their former place of residence if such had become necessary.

Another matter is the consideration of methods of preventing people from escaping responsibility to their dependents by moving from their accustomed domicile. It is a problem with which we have had to deal in connection with some returned men. I was glad to see that the government of Saskatchewan passed a bill enforcing in Saskatchewan

maintenance orders made in England, Northern Ireland and all His Majesty's dominions. There was need for such legislation.

Another matter with which I think the committee might well deal is the giving of encouragement to young people who wish to join the nursing profession or to take up family welfare work. I think perhaps the government missed certain opportunities when they released so many girls from the armed services following the end of the war, girls who would have made excellent material for such work because they had undertaken certain basic training.

So, sir, for the reasons I have stated, I wish to go on record as being heartily in support of the formation of a special committee of this house to study the subject.

Mr. CHURCH: As one who probably has had a longer connection with public health than any other hon. member at present in the house, I wish to point out that only $11,000,000 has been spent by the government on public health. For the rest we depend upon statutory provisions—$285,000,000 for the baby bonus, and so on. The first duty of the government is to look after the health, happiness and prosperity of its people. We have a government to-day that is spending $11,000,000, but all it contributes to the health of the people would not amount to a snap of the fingers. This great public spending department has its members travelling all over the world. While the minister is occupying himself at the economic conference, according to this morning's *Globe* his deputy is away off in Chicago making speeches. It requires more than speeches to make a health department.

This whole matter of health has been left to whom? To the municipalities. The federal government used to have a mere skeleton department, spending about half a million dollars a year. They have some good men in the department; I am not criticizing the permanent officers. They have a very good deputy; I have known him a long time, and I can speak of him in very high terms. They tell me that last fall he said, "There ain't no Santa Claus." Of course there ain't no Santa Claus in public health; the municipalities play Santa Claus, and don't you forget it. Years ago in Toronto we had a good health officer. Later he was succeeded by a health department, at the head of which we placed one of the greatest physicians on this continent, the late Doctor Hastings. The province simply had a skeleton health department; the federal government had a skeleton health department, and all it did was advise. But the federal authorities bring the people into the country and dump them all over, making them direct charges on the municipalities in regard to public health.

What does public health consist of? It has many branches. Let me just refer to a modern health department. In the city of Toronto they have had to supply pure water, see that sewage is properly disposed of, supervise transportation services and do many other things not only for the city of Toronto and half the county of York but also for part of the county of Peel and the county of Ontario. According to the Toronto municipal handbook for 1945, the divisions of medical services and public health nursing discharge their functions through eight district offices, each under the joint direction of a district medical officer and district superintendent of nurses. These offices are located all over the city, and on the borders of the city as well. This booklet states:

> Toronto continues to enjoy a satisfactory standard of health as revealed by the 1944 statistics and this is due, in no small measure, to the constant vigilance of all branches of public health control. Safeguarding the water, milk and food supply, supervision of the environmental sanitation, active control of communicable diseases, home visiting and the conduct of health clinics, vaccination against smallpox, and immunization against diphtheria and whooping cough, all these and many other services have resulted in better health for Toronto's citizens.

And I can tell you they have had to do all that without any federal or provincial assistance. It is a heavy burden on real estate and on the taxpayer to give these services, not only as far as the city is concerned but for the townships all around the city. When the water supply was not what it should have been, we used to have many cases of typhoid fever and diphtheria. Now you can almost count them on your fingers—as a result of what? As a result of the municipality spending money on the services I have named. The booklet continues:

> The general mortality rate for 1944 was 12·1 per 1,000 population and is an improvement of 2·4 per cent over the 1943 rate. A study of the main factors underlying the general death rate again reveals that over two-thirds of the total number of deaths are attributed to diseases of the heart, arteries, kidneys . . . cancer and diabetes. Going hand in hand with this concentration of deaths due to diseases commonly associated with later adult life, the average age of death has advanced from thirty-nine years to slightly over sixty years during the past quarter of a century.
>
> An outstanding feature, particularly in wartime, was the decrease in both cases and death rate from tuberculosis. The benefits that have resulted from the constant efforts of public health authorities are reflected in the mortality rate of 31·3 per 100,000 population, the third lowest rate in the history of the city. Cases declined for the first time since 1939, and when we realize that 13 per cent of all reported cases

were discovered by means of mass surveys in large industrial, commercial and other organized agencies, the value of such service is well demonstrated.

I should like to read just one or two paragraphs further:

A perusal of the incidence of diseases in the acute communicable group reveals that control was well maintained, with twenty fatalities being reported for the group as a whole. Of special interest is the all-time low mark of only eight cases and no deaths reported from typhoid fever.

No doubt that was due to the provision of pure water, constant inspection and many other factors. I have heard of municipalities where there have been very many cases of typhoid fever in a single year, so you can see what a modern health department has to do, with no federal aid at all and practically no provincial aid. As I said, this is a direct burden on real estate and on industrial workers, especially when these services must be extended to surrounding townships which are unable to pay for them. I quote further:

Also free from fatalities were measles, mumps, encephalitis lethargica, German measles and smallpox. The record of twenty cases and four deaths from diphtheria was disappointing in view of the absence of deaths and only sixteen cases reported last year.

The improved birth rate, evident during the last few years, continued on the same high trend and the rate of 21·9 per 1,000 population was recorded. Non-resident mothers, recognizing the value of Toronto's excellent hospital facilities, accounted for over 30 per cent of all births and this percentage has been increasing steadily during the past decade as shown by the fact that in 1934 it was only 14 per cent.

Further progress also is noted in the field of infant welfare, and deaths of infants under one year of age have decreased to a new minimum rate of 36·4 per 1,000 living births. Toronto has been fortunate in establishing a new low record for eight consecutive years and this attests to the value of the services directed towards saving the lives of infants.

Despite the increased number of confinements during the past few years deaths associated with childbirth have been on an excellent level with a rate of 2·6 per 1,000 live births in 1944. The importance of early pre-natal care and supervision so emphasized by all the health agencies has undoubtedly proven a factor in the lowering of maternal mortality. This is a significant reduction when compared with the average rate of 5·8 which prevailed during the ten years immediately preceding the war.

To have attained this degree of success in the promotion and conservation of health the assistance of many individuals and organizations has been required, and due appreciation is accorded by the department of public health to all participating, private physicians, hospitals and staffs, health and welfare agencies, and to the citizens of Toronto for their cooperation.

So much for that. This government is spending a little over $11,000,000 on health and welfare, while at the same time it is spending billions of dollars on other things. The services provided by this department do not amount to a snap of the fingers to the civilian population and the municipalities of this country. Under this department provision is made for food and drugs, opium and narcotic drugs, leprosy, immigration inspection, child and maternal hygiene, public health engineering, treatment of sick mariners, civil service health, nutrition service, tuberculosis control and so on. Only $32,000 for tuberculosis control; just fancy that! Then there are grants to institutions assisting sailors, medical services for Indians and Eskimos, grants to hospitals, and so on.

Practically no money is being spent on public health, whether in the city or town or on the farm. Is anything being done about housing, rural, urban and suburban? Very little that I know of. We have had a survey made which shows that 7,000 wartime houses are needed now in Toronto for soldiers. We are asking for 1,000, but I doubt if we shall get any. Our soldiers are coming home. Many others are coming to Toronto who do not belong to Toronto; they have relatives there and they have come to stay.

If we are to have a health department, let us have an up-to-date department, not a mere skeleton of a department. That is all it is. This department seems to be more interested in the health of the United States. Some of the officials are going off to Chicago while others are heading for New York, Philadelphia and other points in the United States. Dear knows what the travelling expenses will amount to.

The government should come to the assistance of the municipalities. We would be in a bad position if it were not for the work done by our public institutions, our hospitals, our homes for the aged and infirm and all that sort of thing. The government contributes very little toward this work. A year or two ago I asked some questions about what the government was doing to secure nurses and domestic services for the homes of soldiers and civilians, and I found that little or nothing was being done. Nobody can find out about it. Just try to get a room in a hospital. No one would be able to get in were it not for the work done by the municipalities and various public hospitals and charities.

I think money should be given to the larger municipalities direct to help them in carrying on this work. I remember the time when Doctor Hastings' inspectors had to go out as far as sixty miles to inspect milk and food. The restaurants and other places were cleaned up and inspected; water and sewers and housing and food and milk and all that kind of thing were taken care of. This dominion de-

partment of health is the most talkative health department I know of in the world, through radio, films and advertisements. What are we going to do about it?

Another matter relates to the schools for our rising generations. I remember when we had to carry on a long fight supported by the Toronto *Telegram,* to have medical inspection in the public and separate schools of our city, and the health department had to provide nurses to visit the homes and the people. This was a most commendable work, but the whole cost was placed on the taxpayers. I believe the department has done some good work but I submit the time has come when there should be more actual direct aid by bonus or subsidy in this connection.

The government is spending billions of dollars to-day, but in the days of Sir Charles Tupper, in 1896, the Conservative government was able to run the country on $36,000,000. Our population has not gone up more than a couple of million since that time. Before the war we got on with about $400 million for civil government, but now the cost of government has gone up by geometrical and arithmetical progression. There are many things we are going to need. If we are going to have a health department, let us have a health department, not some kind of a skeleton health department where they just make speeches and travel all over the civilized world. Let us have an up-to-date health department that will provide hospitals and other relief for our sick, for our mothers and infants, for the whole of our population. Let us have a real national health scheme, not a skeleton scheme that gets nowhere and does nothing.

Take cancer and many other diseases which affect the human race. What is being done in Ottawa about them? They are doing a lot of talking but when you get down to brass tacks you find that the universities and hospitals have had to do most of the work. Public health is too big a quetsion to be mixed up in politics. If this department is kept in politics there will be very little done.

I hope something will be done to provide more hospital accommodation and to help the municipalities in the work they are doing and relieve the heavy burden upon the taxpayers. I have been speaking only of our own health department, but I think I can speak for the health departments in the surrounding municipalities. They are similarly situated and are doing grand work. The health officers of our cities work very hard for very small remuneration. I do think that at a time when we are spending so much in making hand-outs for breakwaters and all that kind of thing we should have a little pin money to hand back to the taxpayers who are paying the cost of all this. Something should be done to provide more nurses in Canada by releasing them from the services, which would not suffer any now. What are we doing with 20,000 of the forces in Germany? The United States is going to quit; and when the appropriate vote comes up I can give eight or ten reasons why we should reduce it and let a lot of these nurses come home.

I am very much surprised that we are voting $11,000,000 for national health and welfare in addition to the $285,000,000 baby bonus authorized by statute. I am not objecting to this if the money is properly distributed, but I know some well-to-do people who are getting the children's allowance, yet the old age pensioner gets pin money only and has to pass a means test.

Mr. LOW: Mr. Chairman, I should like to take a few minutes of the time of the committee to say a few things about health policy in general, and more particularly to make a plea on behalf of the more than 400,000 Canadians who are afflicted with the crippling disease of arthritis. Some weeks ago I placed on the order paper a resolution which I hoped would be discussed, and I had hoped too that there would be a full-dress debate on this whole question of arthritis, because I feel that now is the time to begin to focus the attention of the public on this terrible disease and the widespread suffering it has been causing for some years.

During the past twenty years public attention has been centred on ways and means of combating such terrible killer diseases as tuberculosis and cancer. Public health bodies, medical men and governments over the Dominion of Canada have publicized their efforts and have combined their efforts so well that at the end of twenty years we now see that most excellent results have been attained through their efforts. To-day if tuberculosis and cancer are taken in time a cure can be found for them. This has been the result of the intensive efforts that have been made to deal with these diseases, and also the fact that public opinion has been aroused and demands that something be done.

But while our efforts have been directed towards combating the killer diseases, I am afraid we have neglected diseases such as acute rheumatism, and especially arthritis, which have afflicted and crippled about 600,000 people altogether in Canada. The hon. member for Lanark spoke about arthritis, and I appreciate what he said, but I should like to repeat this much. So far we have found no means of treatment; we have not even deter-

mined as yet the cause of arthritis. That ought to be enough, it seems to me, to spur us on to intensified effort. I am sure that much can be done in the next few years to alleviate the sufferings of arthritics if public health bodies and medical men will concentrate public attention on this disease. The only real attempt in Canada to give follow-up treatment and bring relief to arthritis sufferers has been made at Banff, Alberta, and even that has been entirely inadequate to meet the needs of the people.

As a matter of general policy it seems to me that the governments in Canada should concentrate first upon diseases which require long and costly treatment; those for which so far there has been found no cause, those which require intensive and careful investigation to find the cause, especially those which are proving such a scourge among the Canadian people. The reason I say that is this. Diseases like poliomyelitis, cancer, tuberculosis and arthritis can, because of their long and costly treatment, impoverish families. I have seen such impoverishment. We saw poliomyelitis, for example, strike in a family in Alberta during the height of the scourge that we had just a few years ago, and attack perhaps one or two of its members, and the family itself through the long and costly treatment required lost its entire property. This is a matter of grave concern, and it is time that the federal government stepped in and gave some assistance to prevent such impoverishment. That is why in Alberta we did start out several years ago by assisting in the treatment of tuberculosis, poliomyelitis—or infantile paralysis, as it is more commonly known—and cancer, through providing free government treatment and hospitalization as well as after-treatment and care for the sufferers from these diseases. We did this chiefly because we felt that no family should be allowed to be deprived of home and property and become impoverished by the long and costly treatment required to bring about a cure of these diseases. The result so far has been very good. Not only that; by focusing the attention of medical men and public health societies and organizations upon these diseases we have begun to find cures and the most effective treatments, which to-day are being extended free to the people of Alberta.

Now, it seems to me, is the time to extend our operations and to take in the field of arthritis. A substantial sum of money ought to be set aside by the government of Canada for that purpose, to be placed at the disposal of trained investigators, technicians and research workers who would combine their efforts with those of the research council in one all-out attempt to find the reason for arthritis which creeps upon and cripples people as it does, and to find a cure for it as quickly as possible. I do not mean the expenditure of just ten or fifteen thousand dollars. It seems to me that hundreds of thousands of dollars should be spent for this purpose, and this is the government that should do it. When the cure has been found, or the most successful treatment ascertained, the provincial governments through their own health departments can apply the cure or treatment successfully, and, I am sure, relieve the suffering of many hundreds of thousands in Canada. I would urge upon the government, and upon the minister particularly, that he see to it that a substantial amount of money be set aside this year, and that work be initiated at the earliest possible moment on this dread disease arthritis.

Mr. SMITH (Calgary West): Mr. Chairman, I rise principally to ask the minister, when he makes a statement on arthritis, to make it as complete as possible, and, if he will and if he can, to let us know something about the hospital to which the hon. member for Peace River referred, the one at Banff, which to my own knowledge has effected some amazing cures. To help him with his research I am going to give him an experience of my own; I have some excellent information for him. I have received 102 letters on this subject of arthritis; in fact there were so many coming in that I dictated a form, which I will read to the committee:

I have your letter respecting arthritis.

For the additional reason that I am suffering from it myself, you may rest assured that I will do all I can.

At the same time I was receiving, as we all did, hundreds of postcards on the subject of everybody being retired, women at the age of fifty-five and men at the age of sixty, at $60 a month. Being my own secretary, and not being very efficient, I got some of my arthritis letters in envelopes addressed to people who wanted $60 a month, and I will now read a reply I received yesterday, and in which the minister will find, I am sure, the cure for arthritis:

Dear sir:

After receiving your letter of 18th April, 1946, I have carefully scanned the card which I mailed (copy enclosed) to you, and to date I have been unable to find any reference to arthritis, so am wondering if you are trying to have some fun at the old lady's expense or if your stenographer mixed letters.

Since I have never had arthritis I cannot speak from experience but I have always heard that if you were thoroughly stung by bees it

would cure the disease, so why not hunt a good apiary and stir up the tenants of two or three lively swarms of bees and of course you will then get stung and be able to speak from experience as to whether the rumoured cure is a success or not, and I wonder if you would be stung any worse at that, than the people of Canada have been in electing some of the present members of the house of parliament, of course present company is always excepted.

I am enclosing the second chapter of our serial which is being issued by card.

Now, having become an authority, I should be glad to join in the research work. I will not undergo the test myself.

But, seriously, would the minister mind, when he does make his statement, if he and the department have knowledge of what is being accomplished at the seventy-five bed institution in Banff referred to a moment ago, where excellent work has been done in affording relief to friends of mine.

Mr. MATTHEWS (Kootenay East): When the estimates of this department were before us last session, the minister concerned, if my memory serves me correctly, received more bouquets and verbal compliments than all the rest of the ministers combined. I am not at all afraid of these compliments having gone to his head, but I do hope that they went to his heart, because if there is one department of government more than any other which needs a heart it is the Department of National Health and Welfare.

I have long believed that the health of the people should constitute a first charge on any government, and I should like to say a word or two in support of what has been said by the hon. members for Lanark and Peace River with regard to the need of those who suffer from arthritis.

I am sure that the prevalence of arthritis in Canada to-day has not been recognized either by the public or by the government as it should have been. It is a most serious disease, and one which makes an appalling drain on the efficiency and well-being of our people. There may be those who, reading these debates, will say that we have a medical profession and it is their business to look after this kind of thing. I am prepared to pay the highest form of tribute to the men and women of the medical profession, but I am sure that there is a task here which is beyond the abilities of our medical practitioners of to-day; I believe it is a problem which requires research and definite legislative action now. Up to the present time our health programme and proposals have been incomplete in not having recognized the need to deal with this disease which is so prevalent among our people.

[Mr. A. L. Smith.]

A little while ago the hon. member for Lanark said that we might have in Canada from 100,000 to 400,000 suffering from this disease. Those who have made a close and detailed study of it, people who are chiefly concerned about it, tell us that there are at least 690,000 cases of arthritis in Canada, all of them calling for relief. Here I would like to point out that there are twice as many sufferers from arthritis as there are from heart disease, ten times as many as those who suffer from tuberculosis, and seven times as many as those who suffer from cancer. On Friday, September 14, 1945, the late Harry Leader, then member for Portage la Prairie, made an impassioned appeal in this house on behalf of those who suffer from the dread disease of cancer. I for one heartily concur in the appeal which he made; but, as I have already said, there are seven times as many arthritis patients as there are sufferers from cancer. Many of these, we hope, will be eventually cured, for it is admitted that early diagnosis and proper treatment will avoid crippling and in most cases effect a cure. Even where the case is well advanced and treatment obtained late in the progress of the disease great benefit is still possible. I have had personal experience of this. At the moment I am thinking of a lady in my constituency who spent several years in bed, a helpless cripple. We were able to get her to the Banff Hot Springs hospital under the care of a splendid physician, with the result that after many months of careful theatment she returned to her home and her family, not cured one hundred per cent but certainly greatly benefited and able to walk. In other words, as a result of the rest and the treatment she receeived she is now enjoying a new lease on life. Before I left for Ottawa she begged me with tears in her eyes to make an appeal on behalf of those in Canada who suffer from arthritis as she has done.

I understand that in Sweden something worth while has been done along the lines for which I am appealing; for Sweden has no less than nine hospitals, each containing sixty beds—that is, 540 beds exclusively devoted to the treatment of arthritis. Naturally we are interested in what has been accomplished thereby. Reports reveal that sixty per cent of the patients three years after leaving the hospitals have returned to and are actively engaged in their former occupations, and the condition of another eighteen per cent is so improved that they need no further treatment.

Against this splendid showing of Sweden what is the picture in Canada? Here, as has already been stated, we have one hospital con-

taining about seventy-five beds which are set apart for arthritics, but let it be clearly noted that these are for paying patients exclusively. Then where do the poor and the needy come in? Well, they don't come in at all; they just stay outside and continue to suffer until death brings relief to them. During the war years this country suffered great shortages of labour owing to war needs, and drastic legislation was introduced to remove various bottlenecks; yet all the time this particular disease and others continued to remove workers from their place in industry.

In order to strengthen my appeal I should like to read an item from the press relating to this matter. The following appeared in the Nanaimo *Free Press* of Friday, July 27, 1945:

A number of local people, many of whom have been victims of arthritis, are banding together in order that suitable representations may be made at the August 6 dominion-provincial conference at Ottawa regarding the growing need for combative measures in new legislation. They urge that this disease, termed "Canada's No. 1 crippler," should receive No. 1 priority rating on the conference agenda. The present means of battling arthritis are said to be wholly inadequate, with the result that its menace to public health increases at an alarming rate. It is a disease which causes great suffering, deformity and eventual incapacity, doing incalculable damage and causing immeasurable loss to the economic, social and domestic welfare of Canadians. Statements are to the effect that Canada now has 600,000 persons afflicted by this dread disease. Medical practitioners do an heroic best to offset its activity, but are handicapped by lack of suitable hospitals and equipment. Authorities now concur that in a majority of cases hospitalization is essential, including specialized treatments. Day to day observation and corrections are said to curb progress materially. Canada has but one hospital where such treatment is at present available. It is the mineral springs hospital at Banff and of this hospital Doctor Lowenstein of New York, arthritis specialist, recently said in an interview:

"The work that is being done in this hospital in combatting arthritis rates among the best on the continent and merits a new and better building with the very best of facilities. The combination of treatments used here is exceptional, and the results are excellent."

It is being urged that some provision be made in the national health bill for similar hospitals to be made available in every province.

We take pardonable pride in our national war effort. We recognized the tremendous forces that were arrayed against us, and we marshalled our forces against the threat to our way of life. We spared neither time nor effort nor money to achieve victory on land, on the sea and in the air, yes, and on the home front. We addressed ourselves to the task that was before us and, by the grace of God, we won. To-day I am asking that we recognize the fact that in Canada we have other enemies to fight and other victories to win. The battle against arthritis will challenge our mettle, and here I would suggest some definite lines of action: First, that the national health bill should make provision for treatment of arthritis through special grants to the provinces for the erection of adequately equipped hospitals; second, that such hospitals be made available at Canada's famous mineral springs hospital, the mineral waters of which are invaluable in the treatment of arthritis; and third, that where suitable existing military hospitals are to be found, with their furnishings and equipment, those in each province should be allocated to the care of chronic rheumatism. I suggest this for the consideration of the minister, in the hope that something will be done for this very needy class of our citizens.

Mr. JOHNSTON: Those who have spoken previously have given a clear outline of the conditions that need rectifying. I recall that in the last parliament the then member for Swift Current, Mr. Graham, gave us an excellent account of the work which was done at Banff Springs hospital in connection with the cure for arthritis, and he spoke with reference to the treatment of members of his own family. At that time the minister stated that they were giving every consideration to this problem. I am sure that the members of this committee will be extremely disappointed if the minister gets up and makes what I was going to call the old routine statement that the department is giving the matter consideration, because that was over two years ago. Surely the department, having listened to the former member for Swift Current and to other members of this house relating certain experiences—we have had one to-day from the hon. member who has just taken his seat—will propose something concrete. It is not sufficient to say, after two years of warning from members on all sides of the house, that we are still investigating the subject. The country at large demands something more than that. The people demand action, because in the final analysis the disease takes a greater toll than the war itself and it is something that should be considered most carefully. I hope that in the time at his disposal the minister will make a definite statement to the house assuring us that the department is making progress, and will indicate the extent of that progress, so that the people throughout the country will receive some encouragement, especially those suffering from this terrible disease of arthritis.

Mr. McKAY: I wish to make several observations with regard to one of the great scourges of mankind. It is tragic indeed that man will rally against the menace of war but will largely ignore his greatest, most elusive

and most unrelenting enemy, cancer. More than 65,000 Canadians died of cancer during the five years of the war. There were somewhat less than 40,000 fatal casualties as a direct result of enemy action. War is always a terrible tragedy when a nation loses its youth in conflict. I suggest however that Canadians are fighting a war every day against cancer; so far it has been a losing battle, and our casualties are increasing from year to year. But I believe that we can win that war if we go about it seriously in an all-out struggle to destroy this terrible menace.

Millions are spent in Canada on tobacco, liquor and the luxuries of life where only hundreds are spent to fight cancer, something much more deadly than the bullets of either the Hun or the Jap. There is still a long road to travel before our cancer research laboratories are adequately equipped to widen the field of human knowledge in regard to this dreadful disease. There is a lack of free cancer clinics, except in Saskatchewan, where one of two clinics handled five thousand cases for free diagnosis and treatment last year. Next to the diseases of the heart and arteries cancer kills more Canadians than any other malady. It is the No. 2 killer of men and women in Canada. According to the Canada Year Book 13,417 people died of this dread disease in 1941. By 1943 the number of deaths had increased to 14,135 persons. Whether this increase is due to a more accurate diagnosis of the disease or not is difficult to ascertain; but the fact remains that more Canadians died of cancer in 1943 than in 1941. Authorities state that in six persons over the age of forty one dies of this disease.

An examination of the estimates of the Department of National Health and Welfare shows and appropriation for tuberculosis control but none for cancer control, despite the fact that there are less than one-half as many deaths form tuberculosis as from cancer. There should be a vigorous educational campaign to inform the general public about this disease. Knowledge is a powerful weapon in the fight to control any disease. It is a primary step. Generations of victims have either had the true nature of their illness concealed from them or have concealed it from their own families. Its appearance was thought to be a death warrant.

To-day enough is known by scientists about cancer to assure us that many lives can be saved by proper diagnosis and early treatment. It remains only for this information to be made available to the public so that the dangerous curtain of rumour, the half-truths and erroneous information can be torn aside.

[Mr. McKay.]

Last month was set apart as a cancer month by the Canadian cancer society. This is a most commendable move. The purpose in doing this was to stimulate research, treatment and education in the field of cancer. The public appears woefully ignorant of certain facts about this disease. According to a poll conducted by the Canadian institute of public opinion more than one-half of our adult population believe cancer is incurable, or do not know whether it can be cured or not. Medical authorities have long insisted that the disease can be cured in the great majority of cases if treated in the early stages. About one-third of our population still believes cancer to be a contagious disease despite the fact that surgeons agree it is not. Most amazing of all, the survey conducted by this institute revealed that two-thirds of our adult population do not know any of the early symptoms of this disease. It seems to me that this is sufficient proof of the great need of a widespread educational programme.

I would suggest that as a supplement to the cancer month campaign just concluded, the Department of National Health and Welfare should conduct the most vigorous educational campaign to inform the public about cancer every day of the year by utilizing the facilities of the radio, the motion picture theatres, our schools and the press. This country must do all in its power to save from the clutches of this disease many people who through lack of knowledge of its early symptoms are doomed to a life of misery which all too often ends in horrible death.

Mr. BLACKMORE: Before proceeding with what I was about to say I think I should say a word or two for the sake of the C.C.F. representatives from Saskatchewan. The hon. member who just took his seat recklessly remarked that there was a scarcity of cancer clinics in all the provinces but Saskatchewan. May I submit to him that he knows Saskatchewan, but he does not know the other provinces half so well; and if he will just talk for Saskatchewan and let those from the other provinces talk for their provinces I believe he will not misrepresent and mislead the people.

Mr. McKAY: Are there any cancer clinics in Alberta?

Mr. BLACKMORE: There are four, and they have had them for four years.

Mr. McKAY: How many did you treat last year?

Mr. BLACKMORE: Every person who has cancer in Alberta can come to a cancer clinic and get free treatment until he is cured or

until he dies. You cannot surpass that anywhere. I suggest to the hon. C.C.F. members that they are so enthusiastic over their new government in Saskatchewan that they just do not try to give the rest of us credit for what we do. I just say that in a kindly way. Remember, there were social credit reformers in action in Canada several years before the C.C.F. got in action, and they were really doing things too.

I should like to say that the idea of having a health department in Canada is a good one. We feel glad that the health department has been organized. In our group we are satisfied that the total appropriation has been increased $63,221,407.73 since last year. This all indicates a sound attitude on the part of the dominion with respect to health and welfare in Canada. We recognize that under the British North America Act the responsibility for health services is primarily a provincial responsibility; but let it be borne in mind that this particular type of service is exceedingly costly, and that most of the provinces in Canada are very short of money and are limited in their resources with respect to getting revenue. It may be said that the dominion is likewise. That is not entirely so, because the whole power over financial policy in this country is centred in the Dominion of Canada, and is exercised by that dominion to the utter exclusion of all provinces. If any province undertakes to do anything in the way of progressive financial operations the dominion instantly rushes in and disallows its measures and declares them ultra vires, and all the rest of it. Therefore the dominion must take responsibility; if they will not let any province go ahead then the dominion has to go ahead. That is about all there is to say on that point.

In Alberta we have progressive ideas with respect to finance. We are positive they will work; the dominion is positive they will not work, but we notice that the dominion are very chary about giving them a chance to work. So once more may I say that the dominion simply must find the money where the goods and services are available in the country.

I should like to urge upon the newly established Department of National Health and Welfare in Canada that it do not endeavour to duplicate the work which is being done by the provincial governments. There are two or three departments in Ottawa that seem to look over the whole field of activity, and endeavour to dabble in everything, that which the dominion ought to take care of and that which should be looked after by the provinces. The result is a duplication which brings about waste and also destroys motivation, and has further undesirable consequences. The dominion should supplement the work of the provinces. I am not saying or implying for a moment that this is not the ideal of the present minister. The dominion should take the lead in coordinating the work of the provinces by calling regular conferences of provincial health ministers to decide upon desirable national objectives and the means of attaining them.

The main task of the federal department should be, first of all, to determine how to provide adequate grants in aid to the provinces to enable them to provide health services which they consider advisable. I think it will be found by each successive minister of health in Ottawa that the provinces will have progressive ideas of their own with respect to the kind of health services they desire. The records of Alberta and Saskatchewan already indicate the truth of what I am saying. The dominion does not need to undertake to tell any province what it is desirable to do. What the dominion needs to do is show the provinces how to do those things which they think desirable. Any deficiency on the part of the provinces does not arise from their inability to see what it is good to do, but from their financial inability to do the things they desire.

Another thing the dominion government must do is determine how to raise the Canadian standard of living. It may be argued by the minister that this certainly is not the business of public health departments in this country, but I am not so sure about that. What is the use of telling people the baby needs orange juice when in so large a percentage of cases throughout the dominion the parents are unable even to buy the baby the milk it needs, let alone orange juice. This would seem to indicate that the very first thing necessary is to set up or develop in Canada a system under which all those who are prepared to do their share of service in the dominion may obtain the means with which to discharge their responsibilities to their children as they come along, and to just as many of them as come along. I believe we can safely state that in this country one-third of the total population are in receipt of incomes so low as to render them unable to maintain a standard of living involving the bare necessities of life. In an age in which we have seen such a great development of scientific and mechanical skill; when we have such great power and other resources, that is a serious reflection upon the government which continues in operation in charge of the nation. Canada is

no exception. I believe the United States has a record far more blameworthy than that of Canada. But in dealing with this whole situation it is well to remember that there must be something radically wrong in the way the affairs of great nations like Canada and the United States are being managed to-day, or with the system under which they choose to operate, if we are unable to provide a full one-third of the people of our countries with the bare necessities of life. Until we learn how to remedy that problem, governments can expect a great deal of difficulty with regard to ill health.

If they propose to raise the standard of living, provision must be made for fair prices for goods, fair wages, and employment. Once more the minister may say that has nothing to do with his department. Well, if that has nothing to do with the minister's department, then the minister has not the power to deal with the health problem in Canada.

Very soon the question will be raised: where is the money coming from? I do not propose to go into any details with respect to that matter; probably I should be out of order if I did; but long before this debate is over we shall see the minister rise time and again and shall hear him remind us that he has not at his disposal limitless funds, and that he will be unable to do many of the things he would like to do because he simply cannot get the money. Before ever the minister says these things I am going to agree that it will be impossible to get from the people of Canada, by taxation, enough money to do the things that need to be done in order to guarantee the Canadian people a proper standard of health. Yet the money must be found.

I agree entirely with the remarks of the other hon. members who have preceded me, that the first responsibility of a government in a country like Canada is the health and well-being of the people. The people are the greatest natural resource of any country. Let the people be weak; let them be unhappy; let them be unhealthy, and the efficiency of the country is immediately greatly impaired. Our problem ought not to be one of finance in this country; our problem ought to be one of goods and services. For example, if we want to know whether or not we can provide a dentist for every five hundred people in the country, let us say, as was suggested, the only question we need to ask is, are we raising enough young men and young women who are willing to go into our universities and acquire skill as dentists in order to provide a dentist for every five hundred people—if that should be the desirable number? The answer would have to be, yes, unquestionably. It could not be answered otherwise, when we are afraid of unemployment and have experienced unemployment to such an extent as it has been experienced in Canada within the last fifteen years. If it is held desirable that there should be hospitals all over the country in order to care for people who are unfortunate, the only question we ought to ask ourselves is, can we get the lumber, the bricks and all the other things which are necessary to build enough hospitals? Can we manufacture the instruments required to perform the operations which will be necessary? Again the answer undoubtedly must be, yes, we can. Then these requisites which enter into the providing of a suitable standard of health for the country certainly are physically possible. If then, there is anything wrong, unquestionably it must be in the matter of finance.

Let the minister weigh that with great care. The other day, just as I was going out of the chamber he made a remark—of course not just because I was going out—about letting our money go to pot, or something of that sort. In making a remark of that kind the minister did not indicate the kind of vision a man of his age, in a responsible position such as he holds, should have, because he was entirely overlooking the physical possibilities of this country, its resources in manpower and materials. He was overlooking the fact that where the resources of a country in man-power and materials are such as to render it possible to provide a given standard of living in that country, then it ought to be able to have that standard of living; and if the financial system will not enable the country to have that standard of living something must be done with the financial system. Otherwise it will automatically "go to pot." I do not wish to emphasize this over much, but we might as well have the cards laid on the table at the beginning of this debate, because before we are through there will be plenty of talk about money. Practically every person who rises in his place is going to demand or ask for some special kind of service which will cost money.

I suggest that the minister should not spend any of his time in the house bewailing the failure of the dominion-provincial conference. It seems there was a carefully laid out plan some months before the dominion-provincial conference took place to tell the country that if these provinces would only come together and humbly consent to allow the dominion government to have all the power it wanted, to take away from the provinces anything it wanted to take away, then thus and so would be possible; but if the said provinces should

not be cooperative in this respect, then all these fine dreams would be impossible of realization. I say, Mr. Chairman, that was not a very healthy thing to do. Since the dominion-provincial conference met we have noticed a tendency on the part of ministers to get up and whine about it, to say in effect, oh, we could have done this and this and this if the provinces had only consented to let us destroy the British North America Act, or take away their taxing powers, or do this, that and the other that the dominion wanted to do. I suggest that the minister do not do that; I suggest that he do not tell us that the dominion-provincial conference has to succeed in order that he may do the things that he needs to do.

The whole question is whether Canada can produce the goods and services necessary to attain the standard of living we desire. The standard of living we desire in this respect is a high standard of health and welfare. The only answer that can possibly be given is that we can provide the goods and services. Then then only conclusion that can follow is that we can provide the money and are going to provide the money whether the provinces consent to give up their taxing powers or not. That does not enter into the matter.

There is only so much money that can be taxed from the Canadian people. What the dominion gets from the people, the provinces cannot get. The provinces want, need and can use all the revenue that they can raise. It may be that there are certain companies so strong and so dominion-wide in their operations that no province can sufficiently tax them. If that is the difficulty, let the dominion come in behind the provincial taxing power with the power of the dominion. Then it will be found that the company concerned will see fit to obey the provinces. There should be no difficulty in that respect. All the money which the dominion could collect, if the dominion had the power to collect all the money, can certainly be collected by the provinces with the dominion's assistance. That is an aspect of the whole question which, for some strange reason, has never been emphasized in all the discussions entered into by dominion cabinet ministers, from the Prime Minister down.

I would advise the dominion cabinet ministers to forget their schemes for the centralization of power in Canada. Let them cease whining about the naughty provinces that have the wisdom and courage to insist on maintaining their provincial power as given them by the British North America Act. Iet the minister lead out in exploring the possibilities of modifying our financial system. Let him learn how to make our financial system reflect the facts of Canadian production and productive capacity. Let him learn how to make the Canadian financial system distribute the goods and services Canadians are able and willing to produce. Then the minister will find that he can obtain plenty of money to enable Canadians to have the healthful and abundant standard of living which is essential if we are to have a healthy and happy people. He will be able to find plenty of money to provide a system of health services federally supported but provincially and municipally administered, a system of health services that will cure all the curables and rescue all the unfortunate.

Mr. GREEN: Mr. Chairman, will the minister make a statement regarding rheumatic diseases which have been referred to by many hon. members? I have nothing further to add except to say that ways and means should be adopted across Canada to fight the inroads of these diseases. This matter was dealt with by the British Columbia legislature this spring when a recommendation was brought in by the select standing committee on social welfare and education, which read as follows:

> Arthritis—Your committee recommends that, in view of the serious social and economic problems involved in the increasing incidence of arthritis and other rheumatoid diseases in Canada, the provincial government press the federal government for the establishment of the widest research facilities and the gathering together of all available information from all parts of the world as to the causes, treatment, and prevention of these diseases.
>
> Further, that the provincial government on its own initiative should take steps to provide more facilities for diagnostic service, to increase facilities in existing hospitals for the more advanced methods of treatment for both indoor and outdoor patients, and the development of rest homes at suitable locations where all sound measures to help arthritis might be applied.

I have no doubt the minister has had this subject in mind for some time, but when he spoke earlier in the session I gathered that he was not convinced that it was necessary to do something at an early date. On page 420 of *Hansard* of April 1, 1946, hon. members will find reported an oral answer by the minister to some questions asked by the hon. member for Swift Current (Mr. Bentley). The minister pointed out that the associate committee on medical research of the national research council had been unable to do anything with regard to these rheumatic diseases during the war. He then went on to say:

> The committee is, however, prepared to give consideration to applications for assistance in any project that gives promise of adding to knowledge regarding the cause methods of prevention

or treatment of arthritis in the same way it does to other medical research projects. No such application is pending at the present time.

In the following paragraph he dealt with the question of grants. Apparently a suggestion had been made that a grant be made to the Canadian rheumatic diseases association, but the minister said that he had been advised by the ministers of health of the different provinces that that association was not in a position to be given a grant at the present time. That may or may not be the case, but the answer the minister gave on April 1 caused me to have some doubt as to whether he realized how much people were concerned about this disease. I think it would be helpful if he would make a statement this afternoon.

Hon. BROOKE CLAXTON (Minister of National Health and Welfare): Mr. Chairman, it is desirable that I say something at this stage on the various subjects which have been raised this afternoon. I am grateful to hon. members for their suggestions and comments and I want to tell them that I share many of the views that have been expressed. One general observation may be made with regard to much of what has been said this afternoon. Under any construction of the British North America Act, if the suggestions for action were carried out it would mean that the federal government would be taking action which ordinarily would be found to come within the constitutional jurisdiction of the provinces. At the same time that these suggestions are made we have other suggestions that there should be no duplication of the work done in the provinces. I find that almost every suggestion that has been made would have been met had the health proposals of the dominion and the agreement, of which they formed a part, been accepted and put into operation.

With regard to research, I would ask the committee to consider seriously whether they regard general medical and health research as an ordinary function of the federal government. At the present time we have two laboratories at Ottawa doing research work in connection with virus diseases, immunization and other health problems, including those relating to the Food and Drugs Act, and nutrition, but so far it has not been considered a proper function of the department to undertake fundamental medical research. One reason is that that kind of research is usually best carried on in connection with clinical opportunities which are to be found most frequently in large centres where they have hospitals in association with teaching institutions. That is not invariably the case, but it is so in many instances.

I would point out that the actual number of personnel qualified to do competent research work in Canada is definitely limited. I might call to the attention of the committee an observation made by Surgeon-General Thomas Parran of the United States public health service, when appearing before a committee of the house of representatives in the United States in connection with a bill to provide more money for cancer research. Surgeon-General Parran said that there are not as yet enough properly-trained cancer research workers even to begin the programme that was suggested. That is an important limiting factor on the volume and quality of research work that can be done in any locality at any time. It may be that in order to increase the total volume of research work in Canada we shall have to start further back and to provide fellowships to permit young doctors and technical experts to enter into research work and to train themselves by attendance at research and teaching institutions.

In this connection, too, I would point out that we have had the advantage of discussing the matter with representatives of the ministry of health of Great Britain, and the United States public health service as well as with officers of various foundations engaged in medical and health research. We have had several of those officers here at various times, and we have also entered into discussions with committees of the Canadian medical association and had interviews with many of the leading research workers in Canada, all in an effort to determine the proper field of research activity for the federal government.

Ever since the department was created on the 13th of October, 1944, barely eighteen months ago, this subject has been receiving continuous consideration and it still is receiving continuous consideration. But when you ask for action I must tell you that so far we have not been able to see any way in which action could be taken which would be likely to produce favourable results and which lies within what has so far been regarded as the proper scope of activity of the Department of National Health and Welfare. Since 1938 the national research council has had an associate committee on medical research and it has granted assistance to many people and to many institutions in connection with medical research.

Mr. JOHNSTON: In what particular cases?

Mr. CLAXTON: In a great number of different cases.

Mr. JOHNSTON: Have any been in the special field of arthritis?

Mr. CLAXTON: I believe there have been.

Mr. JOHNSTON: Can the minister tell us what they are?

Mr. CLAXTON: I would have to get that from the research council.

Mr. JOHNSTON: Would the minister try to do that?

Mr. CLAXTON: Yes, I will try to do it. The national research council has been established by parliament as the principal agency of the federal government to carry on research. My predecessor and I have discussed with the council whether or not that function of the national research council should extend to medical research. We have decided that medical research should be assisted through the national research council rather than through the Department of National Health and Welfare. We came to that conclusion because we felt that it was desirable that practically all support of research by the federal government should be coordinated through one institution. The national research council has done magnificent work in assisting medical research relating to the prosecution of the war, but to a very great degree its assistance to medical research in connection with diseases not associated with the war had to be suspended because of the shortage of doctors and technicians in Canada. The pressure on the available personnel in connection with the war really exhausted all their possibilities of rendering useful service in any other field. But that has now changed, and with the demobilization of men from the armed forces, together with the continued output from the medical schools, it is expected that the medical research division of the national research council will be called on to assist in a very much larger number of research projects of various kinds.

Mr. KNOWLES: Is there any liaison between the council and your department?

Mr. CLAXTON: I was just going to say that that does not mean that our department is not interested, because we are definitely interested and we are in continuous consultation with the research council just as it is in consultation with us. The deputy minister of national health and welfare is also a member of the associate medical committee of the research council.

I ask hon. members if that is not the sensible way to do it rather than to try to set up a duplicating institute of research for the federal government. In view of the resources available in Canada, it is our view that the best way to do this job is to assist in programmes of research being carried on in the places which can carry it on and are carrying it on and have the equipment and the trained research workers.

Mr. BLACKMORE: You are entirely right.

Mr. CLAXTON: If we are wrong I certainly should like to know it, because then we might have to make some changes.

Mr. KNOWLES: The way is all right, provided that full use is made of it.

Mr. CLAXTON: I wish to say, too, that that is the way it is handled in the United Kingdom. The ministry of health there is a large ministry compared with anything we have in Canada because it renders direct service to the people; they have not a federal constitution. It has very great resources of personnel; it spends very large sums of money, and yet I understand that medical and public health research work is not carried out through the ministry of health but through the medical research council which does not come under the ministry of health but under three committees of the cabinet of which the minister of health is a member, but which report to the president of the council. I have had opportunities of discussing this with Sir Wilson Jameson, chief medical officer of the ministry of health, a distinguished public servant who came out on our invitation to discuss matters with us; also with Mr. Attlee and the president of the council. They have reached this conclusion based on their much longer experience in the field of public health than this department has had.

In the United States research work is carried on by the United States public health service in fields particularly related to public health. We do a certain amount of that work ourselves, either in our department or in other departments of the government. In addition, in the United States the public health service carries on cancer research through the national cancer institute which is located at Washington. I visited it and went all over the building with the director, and if hon. members of this committee could see the kind of equipment that is needed to organize research on cancer I think they would appreciate something of the nature and magnitude of the task before us. Cancer research is also carried on in the United States by a number

of teaching special institutions and institutes where large sums of money are spent, just as they are by the imperial research institute in the United Kingdom.

If I might develop the question with regard to cancer research for a moment or two, we know there is a very great deal of work being carried on in the field of cancer research. There is free interchange of experience and knowledge as they accumulate. If we were to start to establish an institute of the kind they have in Washington we would have to develop not only a great plant, which would duplicate the equipment there, but a trained staff which it would take years to gather. Then, if we accelerated our activities, we would be abreast of where the Americans are in this kind of project. That is not the only kind of cancer research.

Mr. BLACKMORE: Would it not be worth doing, though?

Mr. CLAXTON: We in Canada have great scientists, great doctors, great research workers whose names are known throughout the world. Canada holds second place to no other nation in these fields. Where we can proceed most intelligently is to see that anyone who is reasonably qualified to do research work gets the assistance necessary to enable him to do it, and, in addition, we could give some scholarships or see that scholarships were given in order to increase the number of research workers qualified to work in Canada.

This brings me to the King George silver jubilee cancer fund, to which the hon. member for Lanark referred in his interesting and helpful speech. To that fund, which was raised in 1935, a substantial contribution was made by the federal government. It was set up under a trust deed, and the trustees have full power to spend the money from the fund as they may wish. The hon. member for Lanark referred to what I said last night and gave from my speech last year the expenditures which have been made so far and which have been almost entirely on educational work carried on either by the cancer committee of the Canadian medical association or the Canadian cancer society. In no year has more than $14,000 been spent. The expenditure was made in that way on the advice of the cancer committee of the Canadian medical association, because the trustees could not see how during the war money could be intelligently spent on research in cancer in addition to the money which was available from other sources. But that situation is changing. The trustees have been meeting; we have examined the whole situation, and we have had a number of sessions with representatives of the Canadian cancer society and the cancer committee of the Canadian Medical Association, as well as the others I mentioned earlier. In consequence, not only are we going to give assistance again this year—one year more—to the Canadian cancer society in connection with its educational work, but we shall hold out the possibility of making grants to those who want to do research work in this field. In addition, we hope to establish a number of fellowships to train research workers.

While these developments have been going on, we have been having active discussions in an informal way with various provincial ministers and deputy ministers. There has been, the most general kind of cooperation; and I hope very shortly to call a meeting of those interested at which the fields of activity of the various organizations interested in cancer control work will be defined as well as they can be without putting them in straitjackets. The objective will be a programme of work in cancer, using all means, which will mobilize all the resources that can be mobilized within Canada and to see to it that we do everything possible to find the cause and the cure of cancer.

There are four ways in which money can be spent in work in connection with cancer. The first is in the education of the public, to which the hon. member for Weyburn referred. That is necessary. It is necessary that it be brought home to people that if they have any of the symptoms—a lump or a tumour or a persistent sore throat or any of the other things—they should consult their doctor; and a large part of the money so far spent by the Canadian cancer society has been spent in just that work. We believe that organizations like the Canadian cancer society can carry on that work effectively. If there is a general desire that the federal government should go into the work of publicizing the need of early discovery and diagnosis and treatment of cancer, that certainly will be considered, because I believe we could do an effective job in that field, but it would remain with the house to say whether that is a proper activity for the federal government to undertake.

The second way is the training of doctors to specialize in the diagnosis and treatment of cancer. As I believe hon. members know, there are only three established methods of treating cancer: radium, X-ray, and operation. As yet, there are no other established cures. These are effective only if used early enough. It seems to me that this work of enabling doctors to improve their own ability in this field can best be done by the establishment

of fellowships, by work through the Canadian cancer society, the Canadian medical association, through hospitals, teaching institutions, clinics, the provision of refresher courses, and the like. Certainly the federal government should not enter into that field at all.

The third way in which cancer work can be aided is by improving facilities for the treatment of cancer. That, it seems to me, is peculiarly a matter of provincial responsibility.

The fourth way is in research and the training of workers to do research. I have already mentioned this in relation to the subject of research, and I have nothing further to add to what I said in that connection. But I think I might say this. I am informed that it is a generally held opinion among those who are competent to say that it is unlikely that up to this day anyone who is really competent to do research in cancer has been held up for lack of funds. That is substantially true, though there may be exceptions.

Mr. JOHNSTON: What about Doctor Davidson in Winnipeg?

Mr. CLAXTON: His cure was considered by a royal commission in the province of Manitoba which seemed to be a competent body, and they brought down last year a report stating that it had not been established that the cure was worthy of support. There are cures every now and then, or alleged cures, which receive public attention, but I believe the situation is substantially as I have described it.

I should add that in many of our teaching institutions and laboratories there is work going on in cancer research to-day. At McGill there is a cancer research institute which has carried on fundamental studies. At the university of Montreal there are doctors doing work directly associated with cancer research. At Kingston there is a research foundation which is working on the production of an alleged cure for cancer. In Toronto there are a number of individuals engaged in basic research in the Connaught laboratories, the Banting institute, the university and hospitals, at all of which work is going on, much of it of great value. Similarly in Manitoba there is the cancer relief and research institute, and there are no doubt a number of doctors carrying on clinical research work as well as fundamental research investigations. A great deal is being done, and my information is that no one is prevented from doing anything that shows reasonable prospect of assisting in this study. No one is prevented by any lack of money. From my discussions with doctors who know about it, it seems that cancer is a disease the causes of which are likely to be discovered in consequence of highly organized technical work and the free interchange of views such as there is among scientists throughout the world.

Turning to the question of arthritis, here we have a disease which is not the killer that cancer is, though it is crippling to a very large number of people. Someone mentioned the figure of 600,000 or more alleged to be suffering from arthritis in Canada to-day. It is quite possible from what I am told that the number is considerably greater than that, because arthritis is a condition, or rather a number of conditions, from which a high proportion of people over forty years of age suffer in some degree or another, without being crippled. If you have aching joints or nodules or something of the kind it is likely that they are due to arthritis. The disease takes a great number of forms. The hon. member for Lanark will correct me if I am wrong, but I am informed that there may be as many as thirty different forms of arthritis and it is a term which is generally used to describe a condition. There are many varieties, and it is difficult indeed for a doctor, unless he has had special training, correctly to diagnose the kind of arthritis from which a person is suffering. The cure seems to be uncertain and the disease appears to have in many cases a common characteristic in that it comes and goes in waves. When a person has a recession of the disease, when it passes off, if that happens to coincide with some new treatment he is receiving he is likely to say that he has found a successful treatment and is likely to continue so to believe, although the change in his condition was due to something within himself and not to the treatment at all.

There are treatments which undoubtedly do benefit people. I was asked by the hon. member for Calgary West whether I could comment on the hospital at Banff. I am sure hon. members will not expect me to make any comment on any hospital, doctor or institution in Canada. If I commented favourably and it was a private institution I would be regarded as giving it an advertisement; and if my comment were unfavourable, then my capacity or my objectivity would be brought into challenge by those who believed the contrary. I must not do that.

Mr. JOHNSTON: The minister can say whether there has been any report as to the success of the treatment.

Mr. CLAXTON: I should, however, refer to one hospital where there are continuously a large number of cases of arthritis under treatment and observation. I refer to the veterans

affairs hospital under my colleague, the Minister of Veterans Affairs, at Toronto East General hospital where there are over 100 cases of arthritis which are looked after by specialists trained in dealing with the disease. A good deal of research work is being carried on in connection with these cases.

Arthritis is a condition, for the cause and cure of which we should search as vigorously as possible, but because of its nature this is an exceedingly difficult thing to undertake. What I have said with regard to the general matter of research and also with regard to research into cancer applies equally, I believe, to any suggestion that the Department of National Health and Welfare should undertake fundamental research into arthritis.

It would seem, too, that this is a condition in which it is important that fundamental research should be combined with clinical research and observation of patients. It is, therefore, a condition which should be dealt with through the existing agencies, particularly those in conjunction with hospitals.

The hon. member for Mackenzie, in his speech at the opening of the discussion, referred to the uneven distribution of doctors and dentists across Canada, and that is, of course, true. It is true also of medical services. In the time I have been with the department I have come to know all the ministers of health and the deputy ministers in the provinces. I have been in every province and discussed their situations with them, and as chairman of the economic committee of the dominion-provincial conference I spent several days in going over their situations with them. In addition, we have had access to the work done by the parliamentary committees in 1943 and 1944 as well as that done by my predecessors in the department, and this all leads to the recognition that services vary greatly from province to province. It was in the hope that services, hospital, medical treatment and nursing, might be made available to everyone in Canada irrespective of locality or income, that we proposed a nation-wide system of insurance to be administered by the provinces, introduced by stages. That was developed on previous occasions before this committee, and the modified proposals will be found in the proceedings of the dominion-provincial conference for April 29, 1946, at pages 6 and following. These were supplemented by substantial grants for public health, and in the proceedings before the conference the general public health grant which might have totalled a large sum each year was extended so as to be available for use in connection with cancer and arthritis.

[Mr. Claxton.]

In addition to the general public health grants, there were proposed grants for tuberculosis, mental health, venereal disease, crippled children and also provision for professional training and for public health research. Provision was also made for the lending of money through the provinces at cost for the construction of hospitals, and for planning grants to plan the introduction of health insurance and health services. All this was made available as part of the plan, and it was made available on such terms as to provide for its introduction by stages in the various provinces and in various parts of the provinces, so that the provision would enable each province to make use of it in the most effective way possible.

The hon. member for Mackenzie asked whether these proposals would be available to the provinces which made separate agreements with the dominion, if that is possible. In this connection I must repeat what I said last night, namely simply refer to the remarks of the Prime Minister on May 9 when he said that the dominion-provincial conference and the situation arising out of it would be dealt with by the Minister of Finance when he introduced his budget.

The hon. member for Mackenzie also referred to the provision of an air ambulance in Saskatchewan. During the war we were able to do a great deal in transporting Indians, Eskimos and others in the far north through the facilities of the various air forces using that territory and also through the other government services. Some wonderful flights were made; and wonderful feats of endurance, courage and skill have been performed by doctors who have been flown in. In one case the flight was fifteen hundred miles, to land a doctor in an Eskimo band and live there for five months to deal with an epidemic of typhoid. I refer here to Doctor Rawson, who was flown in 1945 to Cape Dorset, and saved a substantial number of the band of Eskimos through his being able to diagnose the condition, radio it out and have the supplies for immunization landed by parachute to enable him to perform his service. After he had been there for a number of months and had travelled through the band by dog-team he was flown out to Chesterfield. He is a doctor who has spent a considerable part of his life in service in the far north. He was a major in the army. There were other similar episodes in which doctors and nurses performed great feats of heroism and rendered service to the people of the far north.

The largest single increase in the ordinary health services provided for by these estimates is the substantial increase in the estimate for the health of Indians and Eskimos. They are the two groups of people in the dominion to which this department directly renders service. In consequence of this vote, if it is passed by the committee, we hope to be able to increase substantially the services which are rendered to our Indians and Eskimos.

Mr. CASTLEDEN: Have you made any surveys in that field yet?

Mr. CLAXTON: Yes; we have made extensive surveys and have plans laid out which will substantially improve the services rapidly.

Mr. CASTLEDEN: Are reports of these surveys available?

Mr. CLAXTON: As the hon member knows, a committee on Indian Affairs has been set up. I understand it is the intention of the committee to call officers of this department before it, and we shall make available all the information we have. When we come to surveys of some conditions among the Indians and Eskimos we still may have fairly sketchy material, but we shall make available all we have. While the results of our plans will not be spectacular at once, I hope that in a few years it will be possible to make substantial improvements in the health and welfare of our Indians and Eskimos.

Several hon. members have referred to the need for cooperation in this field. In my first speech in this connection I think I said, that cooperation was essential, as I have said the same thing to every other organization I have met in connection with the work of the department. It has been my privilege to be invited to attend the annual meeting or other meetings of practically every organization working in the field of health on a nation-wide basis across Canada. I have welcomed these opportunities and have gone to all these meetings with the hope of creating confidence and of establishing the foundation for real collaboration as well as cooperation. I believe that the general statements made by the officers of these associations have on every occasion, been supported by their members, and that their reciprocal promises of cooperation have shown by their works.

During the eighteen months that the department has been in existence, we have had, with very little exception, nothing but the heartiest and warmest cooperation from everyone working in the field. That applies to the provincial officers, to the municipal officers and to the members of all professional and voluntary associations. This is one field in which there can be no room for competition. It has more than enough for everyone to do, and we have not failed to seek the assistance of everyone possible to make the best contribution we can to the work which we and they have in hand, namely, to see to it that as far as lies within our power we shall improve the health and welfare of the people of Canada.

Mr. GILLIS: I listened with a great deal of interest to the minister, and I have no doubt that he meant everything he said, but after listening to him I am reasonably sure that he is not going to get very much activity in the field of medicine in this country until the government are prepared to tackle two problems. First, they have to face up to the British North America Act and get away from this business of passing the buck to the provinces. That is one stumbling block which will offset about 75 per cent of what the minister had to say to us this afternoon. I do not wish to leave any doubt in his mind as to whether he is getting improvement or not when he makes the kind of statement and paints the kind of picture with regard to the future of health in Canada that he has done this afternoon.

Second, there is another problem that the government will have to face up to. They are going to have to tackle the drug manufacturers of the North American continent. There is a straight monopoly in drugs. The medical profession is largely hampered in putting on the market drugs that are already available in a form in which they could perform some service, because the drugs are pigeon-holed, curtailed, and kept off the market by the drug monopoly which exists on this continent. These are two things which will completely hamstring everything the minister had to say this afternoon.

I am not going to go into the matter of health in Canada. I think it is well known, and it leaves much to be desired; but the federal government will have to face up to the two questions I have just mentioned.

With regard to this question of research the minister's statement also left me rather cold. He outlined so much machinery he is going to set up that his department will be completely fenced in, and he will not be able to break out of that ring. There is too much of it. It is like a committee. If you get twelve men on your committee, particularly if you include two lawyers, and want the committee to do a specific piece of work, the twelve men

start arguing and fighting and you get nothing done. If you boil it down to a couple of men, they will perhaps do something and bring in some sort of comprehensive report.

I am going to mention one specific matter on this question of research, following the point raised by the hon. member for Vancouver South. He asked the minister a specific question with regard to arthritis; what was being done and could be expected to be done. He gave the minister a golden opportunity to make a long speech, but he wound up without giving the committee very much information as to what would be done on the question of arthritis. The minister would lead me to believe, in his discourse to the committee, that he is pinning his hope on research to be conducted in Canada and the United States, and is not going beyond the borders of those two countries.

In June, 1944, as the Minister of Veterans Affairs will remember, I raised the question of arthritis in this house and pointed out that a drug known as ACS had been perfected in Russia which was guaranteed to cure arthritis and allied diseases. At that time I asked the minister if he would make some inquiries into the matter, pointing out that arthritis was responsible for the loss of more man-days in industry in this country than any other disease, and that, in addition, a large number of our ex-service personnel, particularly from the first war, were badly crippled, that our hospitals were filled with them. The Minister of Veterans Affairs, always cooperative, did what he could at the time by way of making inquiries and informed me that he could get very little information on the matter. Well, I took time off to write the Soviet embassy in Ottawa, who referred me to the Mission of Alliance of Red Cross and Red Crescent societies of the U.S.S.R. in the U.S.A.

Mr. MACKENZIE: I was referred there also.

Mr. GILLIS: I wrote Professor V. Lebedenko, the representative in the United States of this organization, who replied on July 6, 1944, as follows:

> A shipment of the anti-reticular cytotoxic serum is expected in the near future from Professor Bogomolets. Professor Bogomolets, however, in informing me of the shipment, asks that this shipment be restricted to laboratory and experimental use until such time as whatever research institute receives the serum is able to prepare a product identical with the original. Only after that time can it be prepared and released for general consumption.
>
> It seems to me that the Canadian government or a responsible research institute should be able to request a quantity of the serum from Professor Bogomolets through the Soviet legation for similar use in Canada.
>
> Hoping that you will find this information useful . . .

Shortly after receiving that letter I saw in the *Globe and Mail* of July 10, 1944, an editorial commenting on this very question, from which I should like to read a short extract:

> Gifts from Russia
>
> While Britons and Canadians are sending relief supplies to the stricken people in Russia, the English-speaking nations are in turn receiving gifts from the Soviet Union. There has come from Russia, for example, the unique dandelion from which natural rubber can be produced and it is now being experimented with here and in the United States and England. Russia also sent recently a serum which may prove a potent weapon against rheumatism, arthritis, childbed fever, cancer, high blood pressure and perhaps also mental disease. This serum, known as ACS, is now being tested in a clinic by Lord Horder, chairman of the empire rheumatism council.

That is definite and specific information. I was surprised at the statement this afternoon by the minister of health. I did not expect the Minister of Veterans Affairs to get very much information on the subject back in 1944, because the drug was still in Russia and apparently the matter was in the embryo stage. But nearly two years have elapsed, and a Department of National Health and Welfare has been set up, with a minister and an adequate staff. The minister pointed out that it had a research department, and that research into various diseases was being carried on by the research council in cooperation with his department. If this drug known as ACS has the potential medical value indicated in the editorial I read; if it has been made available to the rheumatic council in Britain, through the chairman of that council, why has not something been done by the department and the research body in Canada to make that drug available to the people of this country?

Mr. CLAXTON: May I answer that question at once?

Mr. GILLIS: Certainly.

Mr. CLAXTON: More than a year ago we looked into that question, and I was advised there was nothing at all in it. I was advised of that by representatives of the Russian government as well as by the other people who had looked into it.

Mr. GILLIS: You were advised by representatives of the Russian government? I should be very much obliged if, before these estimates are passed, the minister would make available to this committee any correspond-

ence he may have had with representatives of the Russian government, stating that this drug had nothing in it at all. It was widely ballyhooed through *Reader's Digest*, through editorials and so forth, and the Canadian people were led to hope that they would receive some relief from this source. I received at least a hundred letters from people across this country inquiring as to the merits or demerits of this drug, and I should like to see some official statement by the Soviet people to the effect mentioned by the minister. I do not doubt his word at all, but personally I am not convinced. I think the drug manufacturers on this continent are too much concerned about profits and too little concerned about the health of the people, and that is why I do not feel like taking that statement at face value.

An hon. MEMBER: Oh, no.

Mr. GILLIS: A United States senate committee made an exhaustive investigation into the drug traffic on this continent, and if hon. members care to take time they can go to the library in this building and read the report of that committee, together with the evidence presented before it. It is a most terrific indictment of the drug manufacturers of the continent of North America and of Great Britain.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 142, for the relief of Thomas Bryson Beakes.—Mr. Maybank.

Bill No. 143, for the relief of Lila Edna Page Kennedy.—Mr. Maybank.

Bill No. 144, for the relief of Ernest Crete.—Mr. Stuart (Charlotte).

Bill No. 145, for the relief of Pauline Hellier Kirsch.—Mr. Casselman.

Bill No. 146, for the relief of Wilfred Fields Benlow.—Mr. Emmerson.

Bill No. 147, for the relief of Thomas Allan.—Mr. Emmerson.

Bill No. 148, for the relief of Martta Haavisto Aaltonen.—Mr. Maybank.

Bill No. 149, for the relief of Rhona Gertrude Paikowsky Munn.—Mr. Maybank.

Bill No. 150, for the relief of Arthur Joseph Hubbard.—Mr. Emmerson.

Bill No. 151, for the relief of Eleanor Hibberd Howe.—Mr. Maybank.

Bill No. 152, for the relief of George Graver.—Mr. Maybank.

Bill No. 153, for the relief of Malcolm Ernest Bigelow.—Mr. Maybank.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

Mr. GILLIS: Mr. Chairman, when the committee rose at six o'clock I was making some observations on the estimates of the Minister of National Health and Welfare and pointing out what I thought was neglect on the part of his department in not checking more carefully on a possible source of relief for persons suffering from arthritis. During the course of my remarks the minister stated that they had information from two sources—he named someone in the Soviet Union as one—to the effect that this particular drug known as ACS had no medical value.

When I first saw reference to this particular drug I did not consider that the statement had emanated from any propaganda source within the Soviet Union. I saw it in the May, 1944, issue of *Magazine Digest* in an article written by Paul Winterton, Moscow correspondent of the *News Chronicle*. The story he wrote at that time would lead one to believe that there was definite and positive hope for relief from the afflictions of arthritis by the use of this particular drug.

I should like to repeat what I said before six o'clock. If the story in connection with that particular serum was merely propaganda, I should like to know it. I think the people of Canada who took that as a possible source of relief from that particular disability should have their minds disabused of any idea they may have that the government has neglected to take up something which might afford relief to those suffering from arthritis.

I want to tell the minister that I appreciate his difficulties. He is head of a new department and, as I stated before, he has a whole lot of stumbling blocks to get over, not the least of which is the British North America Act. I was in hopes that the dominion-provincial conference would have decided the field of jurisdiction in these matters. I am convinced that until such time as the federal government has the taxing powers necessary to finance and to a large extent administer an adequate social security scheme across this country we are not going to solve the problem we are discussing here to-night, the health of the people of Canada. I hope that before many years have passed the federal government will measure up to its responsibilities. As long as you keep passing the buck from the

federal to the provincial authorities you are not going to get anything done in connection with health matters. I want to know whether there is any possibility of relief for those suffering from arthritis.

There is another specific matter about which I should like the government to do something. When the Family Allowances Act was passed there was quite a lengthy discussion and the act was examined from all angles. I believe that was a step in the right direction because it has done a lot of good. However, in my opinion discrimination is being practised. When the bill was being discussed I asked the minister if it provided for payments to illegitimate children or other children being maintained in institutions, and the minister replied that in his opinion it did. But I now find that these allowances are not being paid to children maintained in institutions. If a child is either boarded out or adopted from an institution, its foster parents receive the family allowance. But the child who remains in the institution does not come within the scope of the Family Allowances Act. I contend that there is discrimination, because I understood that the act would be made applicable to every child born in Canada.

Illegitimacy is a social problem. A child unfortunate enough to be born under those circumstances should not be penalized for something for which he is not responsible. In looking over a recent isue of a very good paper, the Glace Bay *Gazette*—

Some hon. MEMBERS: Oh, oh.

Mr. GILLIS: It is a good paper. The mine workers happen to own it themselves. An editorial contained certain figures with respect to this matter and showed that there had been an increase during the war. I am not going to give the figures, but the fact is that illegitimacy during the war years was not as high as it was in 1936. When you refer to the war years people say, "Oh, yes, there was war hysteria; people were uprooted; nothing was normal and that is merely the effects of a war." The fact that it was higher in 1936 than it was during the war is proof positive that the war was not responsible.

This is a permanent social evil within our structure of society. Either it must be removed or the victims of it treated the same as other citizens of the country. Many people are too prone to look with scorn upon the girl who happens to get herself into that situation. Anyone who has any idea of conditions in the slums of our cities will agree with me when I say that at least ninety-five per cent of the girls who fall victims to this kind of thing do so because they were brought up in homes that were totally inadequate. There was not sufficient income in the home to provide most of these girls with a decent dress to wear, and most of them were unemployed. They did not have a decent pair of stockings to put on. They could not afford recreation of any kind, and if they had a boy friend they could not take him home because in the majority of cases they were ashamed of their homes through no fault of their parents because the order of society under which they lived did not enable them to provide these modern necessities. So that when a girl becomes a victim she is obliged, despite the fact that we have all these hospitals and all the medical fraternity—

Mr. REID: Has the hon. member any statistics to bear out his statement that these transgressors come mainly from the poor?

Mr. GILLIS: I did not say, from the poor.

Mr. REID: From people who lived in poor houses and poor surroundings. I think the hon. member meant the poor in a broad sense.

Mr. GILLIS: I think eighty-five per cent of the people of this country can be considered poor, and these victims come largely from that section of society.

Mr. REID: I do not like the indictment.

Mr. GILLIS: It is not an indictment at all. If they were not poor they would not go through the ordeal of having to go into a charitable institution.

Mr. REID: I dispute that.

Mr. GILLIS: Those who have sufficient means can avoid the possibility of being exposed. There are ways and means, if you can pay for it, that will enable them to do that. The fact of the matter is that those who are obliged to go through that ordeal come from homes where there are not sufficient funds to cover up the transgression.

As I was going on to say, despite the fact that we have all these hospitals and all this research in medical science, a well-organized medical fraternity and standard hospitals from coast to coast, as the minister pointed out, when one of these girls falls a victim, and a victim, I repeat, of a faulty order of society, she is obliged to seek refuge in a charitable institution. The charitable institution is not maintained for profit. It is operated in all cases by people who are interested in doing something for those who are not able to do for themselves. There is practically no com-

pensation for such people by way of salaries, and the institution is operated inadequately because of lack of funds.

Under the present scheme of things these institutions are the responsibility of the municipality and the province. The grants that are made by the municipalities are far too small. They have not the funds or the means of taxation to make large grants; and under the present set-up, where the federal government has invaded the fields of taxation of the province, the powers of the province to make adequate grants are restricted. Therefore we find these institutions operated on a charitable basis, and a large number of children are left in the institution because they cannot be boarded out. That is a burden which cannot be borne much longer by those who operate institutions of that kind. I have visited some of them and I know the terrific struggle they are making. I know that most of the doctors who look after the patients in such institutions do it for nothing, and they should not have to. Practically no one connected with the institution receives anything by way of salary, and they all work long hours.

The time has come when the least the federal government can do, because this is a federal act and it is supposed to be applicable to all the children in Canada, and the federal government has the taxing powers necessary for the next eighteen months at least to collect the necessary funds, would be to make the act applicable to all children born in Canada. Despite the fact that for the past fifty or sixty years we have been trying to shift the responsibility from one to the other, the time has come when we must face realities, and I urge the minister to give reconsideration to living up to the statement that was made when the act was first brought down that the family allowance would apply to all children in Canada. The least that the federal government can do is to allow the five or six dollars for each child so that it may be properly fed and properly clothed and sent out in as healthy a state as possible. I do not think that is asking too much and I do not believe it would involve a large expenditure of money.

The minister may take the stand that these are private institutions. They are in a sense, but they were made necessary because no other institution had been set up for the purpose of performing this function. They may be private, but they are not operated for a profit, and I think it would be carrying out an obligation on the part of the federal government as well as a gesture of charity to extend the scope of the act to make it all-inclusive so far as the children in Canada are concerned.

Mr. McIVOR: I may be living in past days, but I am convinced that some of the best cures for disease are those that are plainest, cheapest and most easily understood. I think the minister will agree with me—I am judging by his conduct—that the best kind of cure for disease is plain food and lots of it, and the right kind of things to drink.

Somebody has said that a fence at the top of a hill is better than an ambulance down in the valley; and good plain food, as the minister has proven, is a splendid prevention against disease. The stand that he has taken in the family allowance which enables children to have plenty of good food and to be properly cared for is the best cure for arthritis and all allied diseases. I think the minister is going to ask his experts to spend a good deal of their time in finding the cause of arthritis, tuberculosis, cancer and other diseases.

There are some members of the house who will agree with me that one of the causes of sickness is overwork. There are men in this house who, in the eyes of some people outside, may not be doing much work but who, nevertheless, are broken through overwork in this house.

In order to get good food every home should have somebody that is a real honest breadwinner who works every day and he should see to it that the boys and girls with whom that home has been blest go to bed in decent time and do not use the things that will hurt their health. Any athlete knows—dear knows, I know well—that no boy or girl can smoke cigarettes and take care of his eyes, his heart, his stomach, his nervous system. I am sure the minister will pay some attention to this menace in the future.

An hon. MEMBER: Smoking?

Mr. McIVOR: Preventives will be found in good food, lots of sleep and healthy exercise. May I say that there are some men in this house who would do well to take more healthy exercise and it is the duty of some of us to see that they get the opportunity. I hope that such opportunities will be available in future and that we shall enjoy recreation in a good, honest, humorous way.

I spent some time on a committee, trying to help the Minister of Veterans Affairs. It continued for two years, and experts were called from all over the world, from Australia, New Zealand, Great Britain, the United States and various parts of Canada. To-day we have a health insurance policy second to none in the world. It is on a contributory basis, and my attitude in that connection is that every man in health and strength who

has a job—and many times it is his own fault if he has not a job—should contribute to his own future. Quite a while ago a former minister of labour sponsored a scheme of annuities which was a splendid insurance policy; I know of nothing in Canada of this kind which can beat it. I am sure that as soon as possible the government will put contributory health insurance into operation.

The information I get from heads of homes is that the family allowance is proving most effective as a preventive of disease. From the point of view of nutrition, the Speaker of this house and the Sergeant-at-Arms know that a good drink of wholesome milk to growing boys in the afternoon is a valuable contribution to the upbuilding of their health. My purpose in speaking this evening is to urge the minister to put emphasis on measures of prevention rather than to try to pick people up from the bottom of the valley when they have fallen victims to overwork or disease.

Mr. LAURENDEAU (Translation): Having listened this afternoon to the statement made by the Minister of National Health, I think it behooves me to commend him for having based himself on scientific and especially on medical data in the account he gave of what he has done. I feel quite justified in paying him such a compliment because I am dealing with a branch of social science with which I am acquainted when I speak about medicine. I have also had the pleasure, later in the afternoon, to hear some of our opponents, a few C.C.F. and Social Credit members speak on the subject of medicine when they questioned the minister's statements connected with arthritis and rheumatism. I noticed that the minister did not say much on these questions when our hon. friends across the floor went to a great deal of trouble in explaining to him that those diseases should be placed on the same basis as cancer and tuberculosis. I regret to say to my hon. friends, who refer to arthritis as being a disease, that they should consider it as a syndrome rather than a disease. When they urge the Minister of National Health to make treatment available for those who suffer from arthritis they might as well ask him to provide for the treatment of all common diseases. Arthritis is not a disease, but as I said, a combination of medical syndromes; when a physician examines a person who suffers from arthritis, he may discover various ailments such as cirrhosis, nephritis and other diseases. Having practised medicine during twenty-six years, I know the terrible suffering caused by cancer. I rose to-night simply to ask the minister to do everything in his power so that every bit of scientific knowledge and research may be used in our fight against so terrible a disease.

Secondly, there is tuberculosis. Its causes are now known and that is a step in the right direction. On the other hand, from a practical point of view, we know absolutely nothing about cancer. The work of research should be continued in both those fields.

I want to challenge a certain statement, made by an hon. member opposite, from the scientific point of view. A C.C.F. member told us that a certain Russian serum sent to Canada and which had given results in Russia was kept from the Canadian people. From the point of view of the Canadian medical fraternity generally, such a statement is absolutely without foundation. The Canadian Medical association, indeed the medical profession throughout the whole world, is much too honest, much too interested in the welfare of all human beings to hid from a single group or nation, a scientific discovery that might be a blessing to all mankind. I do not believe that there is anything to the rumour, and it is unbelievable that this Russian discovery if it has any merit would not be welcomed by the government and the Canadian medical profession.

I want the public to understand that whenever Canadian medical men have made a discovery, whether it be of little or of momentous importance, it has always been given to the world and used for the well-being of mankind. I could quote several instances, but it is sufficient to glance through newspapers, without delving into medical subjects, to find out that as soon as insulin had been discovered by a Canadian physician it was made available to the whole world. The same may be said of penicillin. Then, if I may mention something more personal, there is the case of my own father who discovered a new abdominal operating technique. After he had submitted his new technique to the Canadian medical profession, an Italian physician requested detailed information in respect thereof; the details of the new technique were forwarded to the Italian medical men who have made use of it for the greatest benefit to mankind.

Mr. Chairman, on behalf of Canadian medicine, of the whole Canadian medical profession, in fact, I wish to protest. There is not the slightest doubt that, had Russia discovered a product for the relief of the victims of arthritis, the Canadian government, and the Canadian medical profession, could not have rejected it. To claim otherwise is going entirely too far, and I refuse to believe it unless I am given the most convincing proofs.

I urge the Minister of National Health to help our rural population, especially in connection with hospitalization. The farmers' income is only sufficient to allow them to secure individual treatment from their family doctors, but it is inadequate to take care of hospitalization when needed. When an operation, a surgical intervention, is indicated, I ask the government to find some way of solving the problem of paying for hospitalization. Could not either the federal or the provincial authorities take care of this, I am not discussing the principle of this question; I am only pointing out the blunt fact that our farmers cannot afford to pay for hospitalization when an operation is needed. I ask the Minister of National Health to give them efficient help in cases of this kind.

In concluding, I wish to offer a suggestion. Preventive medicine is infinitely superior to curative treatments. The minister should give special attention to popular education in medical matters. Results are invariably better achieved through persuasion and conviction than through coercion and legislative action. The government should place in the hands of public organizations the means of educating the masses. Our citizens must be told that periodic examinations are essential. We should teach our people that every Canadian should pay a periodic visit to his physician, as some insurance companies require of their policyholders, who must be examined every year or every five years as prescribed by them. This way it is easier to discover certain diseases which would otherwise remain unknown until too late. Again I say, prevention is better than cure.

Mr. MERRITT: This afternoon we had a most interesting discussion which to my mind has brought out two points of view. First of all, so many members have mentioned the pressing need for research into arthritis and cancer and have addressed their remarks to the minister that it would appear that many persons in the house and in Canada think this department is the one that should do medical research. Of course, I join with those members who have spoken in agreeing that medical research into such diseases as arthritis and cancer is of the utmost importance and is a matter upon which money can be well spent, but it is apparent from what the minister has said that any moneys which might be expended on such matters do not come within this vote.

I want to turn the discussion to something which arises when one discusses estimates, and that is the question whether expenditures are proper or not. It seems to me that we have to balance the urgent demand for the spending of larger sums against the almost equally urgent demand for the elimination of unnecessary expenditures and therefore for the reduction in taxation which would then be possible.

Thinking that over, it struck me that these two points of view can be reconciled only if one determines that for any money that is voted value is obtained. That is how I propose to approach the estimates. I want to make a few observations in particular about the estimates other than the statutory vote. Of the amount of about $11,000,000, $5,500,000 is referable to Indian affairs and the national film board, which hardly arise in this discussion. They are, I think, separate items. That leaves $5,500,000 being voted for national health and welfare, and I think the Canadian people would have believed that in that $5,500,000 there would be something for medical research, whereas in fact there is not.

The whole vote seems to be made up of three items: administration of certain statutes which come under the purview of the minister, such as immigration medical service, quarantine, leprosy and the Proprietary and Patent Medicines Act; social welfare generally, not in the field of research; and the item of publicity. Of that item of $5,500,000 of which I speak, roughly ten per cent is taken up in votes for publicity. I wish to lay before the committee what those particular votes are, because I am going to argue that while, of course, publicity has its proper place in the expenditures of this department, the amount for that purpose is so large that this money might very well either not be voted or, if voted to the department, be put to much better use so that we would get more value for what we spend, and thus the two points of view I mentioned at first might be reconciled.

Going through the estimates, I find that this year departmental administration gets an allotment of $50,000 for publicity. There is no change from last year and it represents no less than twelve per cent of the total expenditures on departmental administration. Turning to the health branch, I find that the administration of that branch is given $100,000 for publicity. That is no less than 50 per cent of the total vote to that particular branch and represents an increase of $80,000 in the publicity item. It is up five times. The third item, child and maternal hygiene, is $68,400, or 60 per cent of the total for that special department. The next subdivision is public health engineering, which has never had a vote before for publicity so far as I can find out. It is now granted $30,000 for publicity, which is 20 per cent of its total vote. Industrial hygiene is allotted $21,000 for publicity, or 20 per cent of its total vote. The civil service health division

is granted $18,000 for publicity, which represents 10 per cent of its total vote. That item is down from last year. The nutrition service subdivision is granted $50,000 for publicity. That sum represents 28 per cent of its total vote. Venereal disease control is granted $5,000 for publicity, which represents 12 per cent of its total vote. The directorate of health insurance studies is granted $3,500 for publicity, which is eight per cent of all that goes to it.

Then we come to the dental health division which is granted $30,000 for publicity. This vote is up $28,000 from last year. The amount this year represent 50 per cent of the total vote for that branch. The same can be said of the mental health division. It receives $5,000 for publicity, which represents 20 per cent of the total vote for the branch. The blindness control division is given a small vote of $500. The percentage is negligible and I shall not quote it. The tuberculosis control division is granted $5,000 for publicity, which again represents 20 per cent of its total vote. The advertising and labels division gets $1,200 for publicity. That again is a small proportion of the total vote, and I have not the percentage figure. The Indian medical service receives a new vote of $10,000 for publicity. We shall deal with this when we come to the item, but it can be said that it is a little strange that medical assistance to Indians should require any vote for publicity.

I turn now to the welfare branch and we come first of all to branch administration. This branch gets $4,000 for publicity, or nine per cent of its total vote. The family allowances division gets $150,000 for publicity purposes this year, the same amount as last year. This is seven per cent of the total administrative expenses of the Family Allowances Act. The old age pensions division gets no grant for publicity. The national physical fitness administration is allowed $18,930 for publicity, which is a large percentage, namely 37 per cent, of its total vote. The total of all the items I have read out is $570,530. Over half a million dollars is being spent on publicity and advertising by this department out of a total vote of $5,500,000. Last year only $416,000 was spent on advertising and publicity. Therefore the total vote for that purpose is up $154,000 this year when, in my view, we should be doing everything we can to curtail expenditures.

The two other general observations I wish to make about the publicity vote are as follows. In the first place, this department has the second largest allotment for publicity of any department of government. It is exceeded only by the Department of Trade and Commerce. The other notable thing is that as one searches through the estimates one finds that very few of the subdivisions of the department failed to put in a bid for their quota of this publicity vote.

If we turn to the department in its infancy we find that in the first annual report of the department for the year ended March 31, 1945, the total amount spent by the minister's department upon publicity was $165,570; quite a different sum from $570,000 this year. Of that total of two years ago, no less than $115,000 was spent in the control of venereal disease, whereas this year that vote for publicity is down to $5,000. Therefore we can see a tremendous and alarming increase of expenditures in respect of publicity in this department.

Before continuing on this question of publicity, may I say that the other interesting thing that arose this afternoon appeared in the statement made by the minister in which he outlined that he believed to be the proper scope of his department. Since he said that it was a new department last year and only just formed and in operation, I think it would be most interesting to all members of the committee if during this discussion the minister stated further what he believes to be the proper scope of the activities of the department. This afternoon he said that he believed the dominion government should assist programmes of research, and that research was carried on through the national research council. Naturally I agree with that statement of policy, but I believe that the people of Canada would have thought that the Department of National Health and Welfare, which is spending a large sum of money this year, would have had that task included in its vote. We should hear from the minister as to how the activities of the national research council and medical research are coordinated; whether the minister has any right to direct what research shall be conducted and any power of controlling or augmenting the funds which are granted to the national research council for medical research.

Since, however, medical research is not in his department I wish to continue with this matter of publicity and to ask the minister if he will give us his views upon the proper place of publicity in his department. I shall offer a few suggestions of my own before I sit down. It is my view that publicity certainly has its place, and in the course of my remarks I shall indicate one place where I think it is properly expended. But publicity

is a dangerous thing to play with. In my opinion it must be strictly governed by the test that I suggested, namely, value for money.

I would ask the minister, as we come to these votes for publicity, to explain in each case what degree of efficiency he believes arises out of these grants for publicity purposes, and also if he does not think he would get more value in relation to the health of the Canadian people if he spent some of these funds in other ways. For instance, the hon. member for Lanark has brought up the need for money grants to aid in neurosurgery research in Montreal, and certainly we have heard enough about arthritis and cancer to make us realize that grants to bodies conducting that kind of research would be money well spent. So I say to the minister that in my view, particularly at a time when we need to review our expenditures, it is not sufficient to point out what is undoubtedly true, that from all the money spent on publicity some benefit will be realized. Rather he must go further, I suggest, and show that great benefit will be realized, greater benefit than would result if the money were applied elsewhere.

I wish to make one or two other observations on the matter of publicity, taking a very broad view. In the first place, as the minister has said, health and welfare is a provincial matter. I should like to hear from him what is the tie-up, in the expenditure of money for disseminating to the Canadian people information on public health and welfare, with each of the provinces. How are these expenditures coordinated with those of the provinces, to be sure that they are not advertising the same thing or perhaps even a slightly different thing, and that there is no duplication or overlapping in these expenditures? The second broad observation I would make is that direct advertising to the public is rather by-passing provincial health authorities, who have trained staffs in the field, and to me would seem prima facie to be not making the best use of this money which, if it is to be spent on publicity purposes, might be better spent by way of grants to the provinces for these purposes instead of indirect action by this government.

My next general observation is that I believe the percentage effect of advertising is probably remarkably low. In order that one may get the best results, surely one should particularize in one's advertising rather than generalize. To give a specific example, I want to point out that the sum of $68,000 is allotted for publicity in respect of child and maternal care. It is my understanding that the booklet which probably represents most of that money is very useful indeed, and that it is doing a great deal of good in the field of child and maternal care in this country. That is the sort of advertising which one can readily approve, where there is a clear need by an obvious class, and where it is almost certain that this class will be only too anxious to read and study and apply that publicity. On the other hand, as I understand it, the department gets out another booklet called the "Master Menu Pattern", which, if you please, is a bright little document telling the people of Canada what food to take with them when they go on picnics in the summer, and how best to make use of that food. I have no hesitation whatever in saying that, in my view, money spent on the "Master Menu Pattern" is absolutely and completely wasted. I believe any persons in this country who go on a picnic know enough to take with them the food they want to eat, rather than the food described in such a booklet. That, I say, breaks a good rule of advertising, because it is offered to the Canadian people as a whole, while there is no demand for it and it is probably not read. In the army we had a "paper war", and we know what we did with pieces of paper like this.

I want to give one further illustration of this generality that may destroy the usefulness of expenditures of this kind. I refer now to what I call paternalism in advertising, telling the Canadian people, in terms which a very simple-minded man could understand, just what they ought to do. In this connection I wish to read what is called a "filler", issued by the division of information services of this department. I believe it is issued to the newspapers, and it says it may be used at any time. It states:

> Just because people have reached middle age, they should not give up all forms of exercise, say health authorities. An official of the Department of National Health and Welfare, Ottawa, states: "There is no reason why a person in the prime of life should abandon health-giving exercise. In fact, the evidence is all in favour of recreation at all ages. Of course, the family physician should be consulted, so that all may keep fit without strain at this most important time of life."

I do not know how much a filler costs, but I do say that this is paternalism in its worst form. Instead of promoting the health of this country, a thing like that is debilitating to the morale and to the mind; and I do not think any money spent on that sort of thing is well spent. In the first place, it is the most enormous platitude, and that is the best thing you can say for it. Another thing

one could say, I suppose, is that it is a most outrageous blurb. There are more of these "fillers" which we can dish out during consideration of the estimates.

Another point I wish to make in connection with this question of publicity is that there is great danger of duplication. For instance, I have here in a file a calendar put out by the magazine *Health*, which tells you what you should eat every day. It gives you the right menu for Monday, for Tuesday, and so on. It is a very good thing, I am sure, but I think every hon. member knows that over a period of many years various magazines and periodicals have put out so many of these things, which are mutually contradictory, that adding one more to the lot will not make any difference.

The same thing might be said about the publication, "Canadian Health and Welfare Bulletin" put out by the department. I understand that this is printed, 50,000 copies in English and 25,000 copies in French, and is distributed free. I am sure all hon. members get a copy; I know I do. Just before these estimates were presented I got one and I read it. I also get a copy of the magazine *Health*, put out by a private organization which, I believe, receives some financial assistance under these votes.

Two of these magazines are unnecessary. Everything that goes into the departmental magazine could go into the other. The circulation of the departmental magazine could easily be added to the circulation of the private magazine, if there is not already duplication. The Department of National Health and Welfare should not be a printing and publishing office; it should be a Department of National Health and Welfare.

These are all the general observations I want to make, but there are some questions I should like to ask about vote 200, departmental administration. I wish the minister were in the chamber at the moment.

Mr. MACKENZIE: He will be back at once.

Mr. MERRITT: I think I shall wait until the minister returns.

Mr. GAGNON (Translation): I have listened quite attentively to the speeches of the hon. members for Lanark, Peace River, Weyburn and others, who have preceded me and I have found them most interesting. After hearing the views of those hon. members, I must say that I agree with those who feel that we should spend for protecting the health of Canadians as much if not more than we have spent for sending them to war.

However, while physical health is important, I believe that the spiritual sphere, which is still more important, should not be neglected. As an old latin proverb says: "Mens sana in corpore sano." That is why I claim that the primary duty of a government anxious to protect the true interests of the people, is to give them servants who respect and elevate them instead of degrading and debasing them. Doctor Chisholm, deputy minister of health, who is unable to distinguish between good and evil, does not deserve his present position and he should be replaced by some one intelligent enough to respect the faith of those who believe in God. It is a disgrace that we should have civil servants as devoid of moral principles as Doctor Chisholm and we should not hesitate, through decency and concern for public morals, to dismiss him so as to prevent him from spreading throughout Canada, with the government's approval, his subversive ideas and from flaunting his atheism. It is high time that consideration be given to the numerous petitions to the government requesting the resignation of Doctor Chisholm whose utterances are an insult to the decent citizens of this country.

No one can take as a pretext for avoiding action in this matter, the failure of the dominion-provincial conference. Let us dismiss General Chisholm and replace him by some one competent in the field of moral health as well as in those of physical health or social welfare. I think that such a reform is the one that is most urgent in the Department of National Health and Welfare, and I am sure that a considerable part of the population would be quite pleased if the minister complied with the requests that have recently been directed to him in this connection.

Mr. MERRITT: In order to relieve my rather solemn talk I should like to read another of these fillers. It reads:

> Now is the time to substitute the fruit bowl for the cookie jar in Canadian kitchens, say Ottawa health authorities.

While the minister was out of the chamber I made some general observations with respect to the expenditure of money by his department for publicity purposes. It will be noted that there is one item for $50,000 covering publicity and information. Then under the health branch there is another vote of $100,000 for publicity and information, and later on there is still another vote for $4,000. The total amount voted for publicity in connection with the administrative branches of the Department of National Health and Welfare is $154,000. Incidentally, that is the exact amount of the increase this year in connection with

publicity. All other votes for publicity in connection with specific items for specific branches are in addition to this $154,000.

I consider that the members of this committee would be more prepared to approve these votes for publicity if they were earmarked specifically for definite purposes rather than being voted for general publicity purposes. For example, I think it would be better to increase the amount expended on publicity in connection with child and maternal hygiene and decrease the main vote by that much.

I am wondering if this $50,000 we are talking about would not be better spent if it were in the form of grants to organizations now covered by votes 233 to 242. These cover grants to the Canadian Welfare council; to the Canadian Red Cross society, which gets only $10,000; to the St. John Ambulance association, which gets only $4,050, and other grants. This money could also be used to good purpose to support some of the institutions mentioned this afternoon by the hon. member for Lanark.

In the light of the remarks I have made I should like to ask some specific questions about this item of $50,000 in vote 200. First, how was the similar vote of $50,000 expended last year? I should like that answered in some detail. I should like also if the minister could explain to the committee just what is the division of information services mentioned in the annual report of the department, and how it works.

Second, I should like to know how it is proposed to spend the $50,000 to be allotted this year. Upon what principles are these disbursements made? Is it under a scheme now laid down by the minister to attain specific purposes which he has in mind; or alternatively is it a reservoir into which all the departments may dip if they find they have exhausted the publicity vote specifically allotted to them; or alternatively again is it a fund available to publicize some new idea to be born in the department during the year but which has not yet been conceived?

Finally, is the expenditure of this money coordinated with provincial departments to prevent overlapping? I shall be glad to ask these questions, of which I know there are quite a number, individually, if the minister prefers.

Mr. LaCROIX: Are there any possibilities of securing bilingual forms in connection with the family allowances? Are they at the disposal of the public in different provinces?

Mr. CLAXTON: In every family allowance office,—and there is one in each province,—forms are available in English and in French and correspondence is carried on in both English and French. So far as we can do it, we make the application forms for the family allowance available in both English and French in all the offices and in all the post offices, which is the other source from which the application forms can be got. Anyone can write in to the family allowance office for his province in French or in English and be replied to in the language in which he corresponds and receive a form in the language in which he wants to fill out his application.

Mr. LaCROIX: Does that apply to all the provinces.

Mr. CLAXTON: Yes.

Mr. MERRITT: Would the minister now answer my questions?

Mr. CLAXTON: The hon. member for Vancouver-Burrard has raised quite a few questions about publicity in connection with the administration of this department. In the first place, it should be said that the estimates are the amounts which the officers of the department who are experienced in such matters, after having consulted with their advisers, consider necessary to cover the field adequately. When these have been passed through the department and verified by the department, they appear as items in the estimates. This does not mean that the amount asked for will be spent in every case, but if we take publicity, for example, it means that in every case there is a programme of publicity designed or in course of preparation which would use some such amount if it is desirable to spend the money.

The work of public health is one which must be carried on a number of fronts at once. First, there is the devoted work of doctors and nurses; second, the provision of adequate facilities for treatment and care, hospitals and laboratories; third, the work of scientists and doctors in research; fourth, the work of public health authorities, provincial and municipal, supplemented by the federal; fifth, and perhaps most important of all, the work of public education.

The real gap in our performance, either as federal health authorities, provincial health authorities or municipal or voluntary health authorities, is not in our knowledge but in the difference between what we know and what we do. We now know enough about disease to wipe out most of the killing power of most diseases from which men suffer except cancer and arthritis. But tuberculosis and a great many other diseases could be wiped out

completely with the knowledge we have. The difference between what we do and what we know is due just to the failure of public opinion to support the demands of health authorities and others for adequate assistance and adequate support. We must bring home to the people the fact that they can secure adequate help and assistance if they go to the doctor, take his advice and follow it soon enough. That is true also of the killer, cancer. So that I would say that to-day the greatest single failure of public health authorities is a lack of education and a lack of information. If we are to do anything in this field to bring what we know we can do up so as to match what we should do, that gap must be bridged by public information.

One of the most interesting things in this field is the demonstration given by the Metropolitan Life Insurance company over a great number of years. As far back as 1912 that company found that it was beginning to have interesting experiences in connection with public health education, so that instead of advertising insurance it advertised health. It has carried on that service ever since at great expense but at great profit, because its statistics show that there is a consistent difference between the records of the people to whom the advertisements have been directed and to whom its health service has been offered and the records of the rest of the population. It has shown the way in institutional advertising of that kind.

We are not going in for anything like that. The hon. member for Vancouver-Burrard has picked out the items and said that they represent about ten per cent of the controllable items in the total vote for this department. I am not sure about his figures, but I imagine that he has given the correct amount —ten per cent for education. I think that is a pretty fair figure. But I must say that we had it in mind that it was desirable to use a much bigger figure. There is a good deal to be said on either side about every advertisement.

The hon. member for Vancouver-Burrard was good enough to refer with commendation to the pamphlet "Mother and Child", of which more than a million copies have been circulated in Canada free. It has probably the greatest circulation of any single Canadian book except the bible. It was written by Doctor Couture for the department and widely circulated in both languages. Since that book has been distributed, infant and maternal mortality rates in Canada have improved. We do not claim credit for the improvement, but we do say that you cannot have improvement unless people know what should be done. The greatest thing that should be done in most of these fields is to see the doctor in time and to follow his advice.

The hon. member has asked me to say how much of this programme has been discussed with the provinces. A very considerable amount of it has been, through an agency known as the Dominion Council of Health, which meets twice a year, where representatives of the provinces, the dominion and the public meet together for three or four days and decide on programmes, and a very considerable proportion of this has been discussed by them. There is always a danger in saying how much a province has approved a thing, because some time later it may turn out that the required authority was not forthcoming from the province to give the appropriate blessing to that particular project. All we can do is consult with the officials and the ministers who are willing to consult with us. We have done that on every possible occasion; and I can assure the committee that the demands for expenditures by the dominion coming from the provinces are far greater than the expenditures we are providing for in these estimates.

Let us look at just one other possible comparison in this field. Perhaps it may not be so relevant; but if there is anything in the assertion I make that public information and education are important in the realm of health, then how important is it? Is it as important as advertising this particular brand or that particular commodity? The amount, if the total the hon. member says is right, as I assume it is, which we ask here as a possible expenditure would, I should think, judging from my experience in these matters, be a good deal less than half that sought for the advertising of particular commodities by half a dozen or more Canadian industries. We believe that these expenditures pay dividends just as industrialists believe that their expenditures pay. We believe that these expenditures have paid dividends in the past. I can remember when tuberculosis caused the deaths of 200 out of 100,000 Canadians, and I went as a small boy to the first anti-tuberculosis exhibition in Canada, on Ontario street in Montreal. It was one of the first in the world, and was the beginning of a campaign of education, and from that campaign has been produced the result that in forty years we have eradicated three-fourths of the former killing power of tuberculosis in Canada. I believe that we can do the same thing with other diseases and conditions, taking

them one after another, and that also in the fields of nutrition and positive health and preventive medicine we can achieve still more.

With regard to the items for publicity, I would be glad to go into them if the hon. member wants to raise each one as it comes along. I would, however, ask him and the committee to consider that in working out the affairs of a department like this we are still understaffed; we have to do what we can with the people we can get, and we can lay out a programme and then find that it coincides with a victory loan or some other major national advertising campaign, so that it has to be postponed or dropped. It requires a good deal of flexibility in the arrangement of these things to make the most effective use of the money. I think we have done that. I have never heard any suggestion that any of the money was used for improper purposes.

The hon. member questioned this pamphlet about camping. We can show, for his testimony, I suppose, a hundred letters saying that it is a very good thing and asking for more copies. There are two opinions on most of these questions of publicity, but there are no two opinions, as I think the hon. member would be one of the first to agree, about the necessity for public education and publicity and information in the field of health. I respectfully represent to the committee that the total amount sought is not too large, having regard to the fact that some of these matters must be dealt with on a nation-wide basis if they are to have any effect. We endeavour to cooperate with the provinces and local agencies in every way we can; we will do the best we can with the money parliament allows us, and I believe it will pay dividends in the health of the Canadian people.

Mr. KNOWLES: Mr. Chairman, there are a few words I should like to add to the discussion of this important matter. I regard as a very good sign the extent to which it has been argued by almost everyone who has taken part in the debate to-day that the health of our people should be a major concern of government. At times we hear theoretical arguments about the place of government in a democracy, and in such arguments there are those who contend that governments should interfere as little as possible with the affairs of the people. It is my view, however—and I think that view has been expressed by all who have spoken to-day—that in reality government is the collective effort of people in a democracy to make their own lives better and happier in every possible way; and I suggest that there is no sphere of our human activity in which more can be done toward achieving that ideal than in the sphere of health. I hope we may look forward in the years that lie ahead in Canada to an increasing part being played by governments in helping to improve the health of our people.

I had thought to make some comments on the criticisms levelled at the expense of information and publicity by the hon. member for Vancouver-Burrard; but perhaps the minister has already given an answer which, I am sure, will carry weight with the hon. member who made the criticisms. After all, what we need is not less information but more of it. It is still true that the truth can help to make us free from a good many diseases and other afflictions of human life.

I should like to say a word about a subject which was before us a good deal this afternoon, that of research into a number of different diseases. I want to support those who have pleaded with the minister for all the assistance the government can give to research in connection with cancer, arthritis and other ailments which have been mentioned to-day. The minister, in replying, told us of the way in which the government prefers to carry on its research in the medical field, that is by having it done through a committee of the national research council on which this department is represented, and I think most hon. members who have spoken agreed that that is the better way to do it. But sometimes we find, in dealing with governments, that when two bodies are concerned with the same matter there is a little tendency to "buck-passing"; and my only hope is that having this way of doing it will not be an excuse for the minimum amount being done.

I was glad to hear the minister suggest that in the matter of public information and education he had tried to get more from the treasury board than they were prepared to grant. I hope that in this matter of medical research, if it is left to a committee of the national research council he will fight with all the vigour he has and instruct the members of his department to do likewise, to ensure that just as much as possible can be done, and not simply the minimum, in this field.

In connection with medical research, there is this point I would ask him to consider, that it be not done only in laboratories. As hon. members know, only two days ago I was myself a patient in an institution in this country which is quite famous. As a matter of fact it is located in the minister's constituency. I refer to the Montreal neurological institute

which has a considerable reputation not only throughout Canada but in all parts of the world. One of the main reasons for the fame of that institution is that it is not merely a hospital or merely a laboratory, but an institution in which the two are combined. We have there an eight-floor building, four floors of hospital and four floors of laboratory and experimental work, and it was my privilege, while there, to be not only a patient in bed, but, as a friend of some of the doctors, to get around and learn something of the work that is done in that institution. It was impressed upon me how valuable it is, in research into the kind of questions with which that institution is concerned, to have patients of all types and for the doctors and fellows by whom research is being carried on to have a chance to see not only the things in the test-tubes upstairs but the patients downstairs as well.

That raises the whole question as to whether there should not be some way whereby the government might make a grant not only for research in the laboratories but for the hospital side of an institution such as that, so that they can have patients who will enable those working there to do the best kind of research possible. I learned, while there, of the plea that Doctor Penfield, the superintendent, has been making for money, terribly small amounts of money, so that they may be able to minister to the needs of people who go there from all parts of Canada, and may be able to do research not only in some of the diseases mentioned to-day but in some others of a neurological nature, which also afflict a great many people in Canada. I do not expect the minister, since we have the estimates before us—and that is usually what passes in this house—to come back, before his department is through, with a promise of something else. I do ask him, however, to give consideration to this phase of research, namely, that it shall include not only the laboratory but the clinical side as well.

I would be remiss in my duty as one who feels a considerable debt of gratitude to the institution from which I have just come if I did not take this opportunity of stating that their position should be considered by the government. The institution is located in a city, in one of the provinces, and it receives some help from that city and that province; but it serves the whole of Canada and, indeed, has spread the name of Canada throughout the world because of the kind of work done there. I know the minister concurs in what I am saying about that institution, and I hope that consideration will be given to its needs, for the relief of human suffering, relief that might result from the expenditure of a very few thousand dollars in further research in the institution. The institution is already there and has its equipment; its need is sufficient money to make full use of it.

There are one or two other thoughts I would leave with the minister. When we speak in terms of national health, for the most part we think of curative and corrective measures, of hospitals and treatment. Yet we have come to realize in this day and age that preventive measures are of equal importance. I am not by any means a faddist in matters of this kind. In fact, in regard to what I am about to say, I realize that I have perhaps broken my own rule thousands of times. However, I am convinced that medical and scientific men have not yet scratched the surface of the whole question of nutrition and its effect in building sound health. I suggest that it should be the concern of government, which is the collective effort of the people of a democracy to make their own lives better, to do some real research in this whole field of proper foods. As has been said by others, the objective should be to make it possible for the people to get proper foods so that we might build up, in a generation or two, a healthier Canadian nation than we have so far known, and one that might not be prone to many of the ills that we have been discussing this afternoon and evening. This is one of the reasons, I confess, I did not follow very closely the thinking of the member for Vancouver-Burrard; for here is a field where, instead of laughing at the few suggestions that have been made with regard to balanced diets, we should encourage the government to go much farther in providing for research and information so that our people might take the lead in building health through proper diet and nutrition.

One other thought and I will conclude. I was interested in reading the remarks of the minister on behalf of Canada at the economic and social council of the united nations with respect to organizing the health of the world. As I read his remarks I was proud that he had taken the aggressive position that he did. It is important that we concern ourselves with the health not only of our own back yard but of the whole community and of the whole world. There is no freedom from disease for any of us until we rid the world of disease, and so I was proud of the aggressive stand which the minister took on behalf of Canada. I do not wish to detract from that compliment—I mean it—but it seemed to me that it was a different person who stood up in the house this afternoon and defended the government for not

going farther and not acceding to the various requests made aggressively from this side during this debate. I would urge that the next time the minister appears in a meeting of the cabinet or of the treasury board in connection with these matters, he take on, not the character of one defending low expenditures, as he did this afternoon in defending failure to do this, that and the other thing, but rather the character that he had when he spoke at the economic and social council. I would ask him to get in there and fight for the very best and the most aggressive programme for public health which it is possible for us to achieve.

Mr. MERRITT: I do not want to be unpopular with the hon. member or with any other hon. members to my left, nor do I wish to be too persistent in bothering the minister and his staff. I wish to say, however, that when I spoke of expenditures with regard to publicity and information, obviously a proper field for his department, all I asked was that we should have proof that we were going to get value for our money. I do not think that the simple spending of money in this department will necessarily bring the wonderful things about which the hon. member for Winnipeg North Centre spoke. It must go to the right place. One of the right places is the institute in Montreal which he mentioned, but that is by the way. My specific question to the minister was on this vote of $50,000. Would he say whether that money will be spent under a scheme now laid down by him to achieve certain purposes? If so, what are these purposes? Or is it a general reservoir into which these sub-departments may dip if they run beyond their own particular publicity vote?

Mr. MacINNIS: I am going to suggest to the minister a way in which this question could be answered. This vote is the same as the one we had last year. If the minister will give us a break-down of last year's vote, then I think we shall have the information that the hon. member for Vancouver-Burrard is seeking.

Mr. CLAXTON: The expenditure out of the vote of $50,000 which was provided last year is not yet available to me here for the year ended March 31, 1946. I might say that the expenditures to December 31, 1945, which is the last figure I have here, were $2,421.71. That left a considerable amount to be expended out of this vote. I think I can tell the hon. member that this vote is not earmarked for any particular purpose. It is there to be used for purposes which do not fall under any of the specific votes, but are of such a nature that they apply to the department generally. The fact that the amount is set out does not, of course, mean that it will be fully spent. I think that gives the hon. member the answer he wants.

Mr. FLEMING: I have a question arising out of the answer just given. In view of the duty that is laid on the department to carry on the function of education and of the fact that an appropriation of $50,000 was provided last fall for that purpose, what reason is to be given to the committee for the fact that only $2,400 has been spent on this important work?

Mr. CLAXTON: On what side of this question are my hon. friend and his party?

Mr. CASTLEDEN: I agree with the minister in his remark this evening that our greatest problem is one of education. Where education is at its lowest ebb we have some of the worst records of health, and that bears out what he said. Where there is ignorance we have fear, and where we have knowledge a lot of that fear disappears. There cannot be healthy people when the people are filled with fear. I recognize some of the difficulties of the minister in the operation of his department when there are nine provinces in each of which there is a department of health, and then more or less over and above these is the federal department. Would the minister explain how he decides how far his services shall go within each province? How does he spread his services? Does he spread the services in each province according to its need or according to the requests that have come in from the provincial governments, or does he carry on a sort of over-all service available to the provinces if and when they want it?

Mr. CLAXTON: I am afraid it would have to depend on the kind of service that was considered. If it were in connection with venereal disease control, then there is provision for the allocation of money and medicines on an agreed basis with the provinces.

Mr. CASTLEDEN: How about your staff?

Mr. CLAXTON: If it is staff, then the family allowances staff, for example, is the staff which is necessary to do the job within each province. With regard to food and drugs laboratories, and inspection, the staff is located at points where they can do the job best through the country without regard to provincial boundaries. Apart from these two, we have not any staffs generally scattered through the country.

Mr. CASTLEDEN: I wondered, because I noticed that outside of the welfare branch, which I presume is doing most of the work with regard to the family allowances, the health branch have some 197 of a staff on a temporary and permanent basis, exclusive of Ottawa. The department has seen fit to put one temporary member of the staff in Saskatchewan. I did not hear Alberta complaining of the fact that they have only four. I could not understand why it was that the staff had been spread in a somewhat inequitable way.

Mr. CLAXTON: These would be food and drug inspectors.

Mr. CASTLEDEN: They do not require them in Saskatchewan? Is that the idea?

Mr. CLAXTON: It is generally related to the population and activities of various kinds in the provinces, particularly in centres where food is manufactured and distributed. If the hon. member assures me that there is one in Saskatchewan I will take his word for it.

Mr. CASTLEDEN: I have the department's report.

Mr. CLAXTON: I would not think there would be more than one there.

Mr. CASTLEDEN: In your own report, which was issued this year, there appears at page 73 a list of the health branches in the various provinces. This shows that Nova Scotia has a total of sixty-four employes; Manitoba, twelve; British Columbia, forty-seven; New Brunswick, twenty-two, and Quebec, twenty-eight. They are spread out in that way, and it does seem rather inequitable, not that I am finding a great deal of fault with the minister; but if he is carrying on separate services with regard to laboratory work and drugs, finding out whether drugs and medicines are up to standard or whether these people are working in connection with the provincial governments on their educational work or whether it is a matter of seeing that the physical fitness programme is being carried on in the provinces, or whatever the function is, then there should be a more equitable distribution.

There is the problem of industrial diseases. Of course, that does not affect Saskatchewan to the same extent as it does others, but there must be the same problem of nutrition and the educational work that is to be carried on should be required there. I suggest that the department should have someone there keeping in contact with what the province is doing. Saskatchewan has an ambitious programme of health. They are taking the lead in the Dominion of Canada. At the present time the government is providing free medical services, free hospitalization, free medicine, and, where required and recommended by the medical men, free dental care for 25,000 people in the province who are old age pensioners or dependent under the children's allowance act of the province. If the present plans of the province materialize, for a small fee they are going to be given to every person, young or old, rich or poor in the province. I think that is something to which the present department of health could give a good deal of assistance in the way of advertising to show the people of Canada what can be done.

The other question that I wanted to ask the minister perhaps should be brought up under one of these other items. That is, among the important features of any health scheme are the medical men and social service workers and those who carry on the educational work, particularly in the preventive field. In that connection I was just wondering whether the minister could tell us if any encouragement is given in regard to the training of medical men throughout Canada. During the war special grants were made, I believe through the Department of Labour, for the training of these people. In peace time we still require these medical men; Canada is still short of trained people in these fields, particularly in the field of preventive medicine. We are looking forward to the day when we shall be paying our medical men to keep the people of Canada well, and when we shall give them proper remuneration for that work. Those of us who lived on the western prairies during the hard years of the drought saw the medical men doing splendid work, giving everything they had and getting very little for it. The idea of paying our medical men to keep us well seems to me a much sounder principle than to have people who become ill unable to pay their medical men and feel themselves not in a position to call them. Would it not be much better for every person to know that whenever they become ill they may call in the doctor and receive proper hospital and medical treatment irrespective of their ability to pay at the time? Very often the poorest families are the largest, and that is where care is needed and where we find the least money per capita being spent on the service most required. If the minister is aiming to establish a healthy Canada, it seems to me he will have to face that problem, of setting up within this country a form of state medicine under which our medical people will be paid to keep us well.

Some of the figures across Canada in regard to certain diseases are alarming. Already in this debate statements have been made concerning health conditions among our Indians. When I think of some of the treaties that were signed with our red brothers, in which we said we would take care of them; then when I read some of the records in regard to the deathrate per 100,000 of population from tuberculosis in the various provinces, I hang my head in shame when I reflect what these people must think of those who made such promises to their forebears. For instance, I see that in Manitoba the death rate from tuberculosis is 1,421 per 100,000 among the Indians as compared with twenty-four among the white people. In Alberta it is 1,249·7 as compared with eighteen among the white people. The rate for all Canada is 757 among the Indians and forty-five among the white people.

The infant mortality rates in Canada, too, are such that we should hang our heads in shame. I notice that in some of the eastern provinces the rates are very high; and if this department is going to carry on an educational programme to better that condition, I should be quite satisfied to see only one of the minister's representatives in Saskatchewan and all the rest distributed throughout the other provinces where they are needed to carry on this work. The province of Alberta has, I think, four representatives of this department of the 197 in Canada outside of Ottawa. The infant mortality rates reveal that the figures for Quebec city are something like three times as high as those for some other cities. According to the report of the department, the rate in Vancouver and Calgary was twenty-nine, and it goes up from that figure as you go across Canada, taking in Hamilton, Victoria, London, Toronto, Saskatoon, Halifax, Ottawa, Regina and Windsor, where the rate is forty-six. The figure for Saint John, New Brunswick, is fifty; for Winnipeg, fifty-two; for Montreal and Verdun, sixty-one; for Three Rivers, seventy-one and for Quebec city, 104. Surely some big problem is involved there which will have to be faced, and I hope that in the course of his remarks the minister will inform the committee as to what plans he has in mind to deal with this situation.

Mr. FLEMING: Last evening, Mr. Chairman, I ventured several observations, to which the minister replied. If I may do so without wearying the committee I wish to go back to one or two of those matters, because in the course of the last few minutes I think we have had light thrown on the answers given me by the minister last night.

First, I suggested that there was a distinct lack of information in the estimates as they have been laid before the house. I pointed out that we do not have before us the actual expenditures for the fiscal year ended March 31, 1946, at a time when we are being asked to approve estimates amounting to tremendous sums of money. Last evening I was told by the minister that the information would be forthcoming in due course in the public accounts. How many months must pass before the public accounts will be available we do not know, but certainly it will be long after the estimates now before the committee are disposed of. The public accounts will not be of the slightest assistance to us in reviewing the estimates now before us.

This evening we have dealt with one aspect of the estimates of the Department of National Health and Welfare, namely the expenditure on publicity and information. The hon. member for Vancouver-Burrard has pointed out that this item holds such importance in the estimates of this department that it totals over half a million dollars. But when we come to the first item, and seek, for this committee of the whole, information which any intelligent committee ought to have before it undertakes to approve a request for another $50,000 under the first item concerning publicity and information, the minister is not able to furnish the committee with the expenditure under this item last year. Here it is May 31, two months after the close of the fiscal year, and we are told that it is not within the power of the minister to tell this committee what the expenditures under this item were during the fiscal year ended March 31, 1946. As a new member of this house, I say that that statement shocks me. We are asked to vote $50,000 on this item alone, and over half a million dollars on similar items scattered throughout the items for this department. On this first item alone it is not within the power of the minister to give the committee this information. It would not have surprised me if the minister had said, "I have not this information before me, but I shall have it for the committee on Monday." But the minister did not answer that he did not have the information; he answered that the information was not available.

If the committee of the whole is to have to do business in that way it might just as well fold up and decide to pass these items holusbolus. A lot of general information is not of the slightest value. We are sent here for a

purpose; we are sent here to review estimates that total between three and four billion dollars. Are we not to be expected to apply even elementary business sense to a task of that kind? We asked for information about the expenditure last year under this item and we were told it is not available. We are now two months beyond the close of the fiscal year.

That is not all. Last night I suggested that it would be of assistance to the house in discharging its duties in connection with these estimates if the House set up a committee of reasonable size which could get information first hand from the officials of the department. Surely the officials of the department are not made of fragile glass. They do not need to be insulated from members of parliament. Surely to goodness, we have a sense of responsibility and we can bear that sense of responsibility in mind when we are in committee. Why should it be so necessary to insulate these officials of the department from the members of the house, especially when it comes to seeking information which I say should be before us if this committee is to do its duty in connection with these estimates?

Last night I put forward the idea that there ought to be a standing committee on health, welfare and social security, which could review the estimates of this department, not with a view to depriving this committee of supply of its proper opportunities to consider the estimates but rather to supplement its work, to assist it and to get information first hand from the officials of the department. Apparently that was not approved by the minister. What do we find to-night? When the hon. member for Vancouver-Burrard asked for information about these items, what was he told? In connection with the publicity items totalling half a million dollars he was told that they were put in—I think I am quoting the words of the minister—by the officials of the depatrment.

Mr. CLAXTON: That is not so at all.

Mr. FLEMING: That was the significance of the minister's remarks as conveyed to me, and I made an immediate note of them. Would it not be a good idea for the members, not in any spirit of hositility—I do not want anyone to get that impression at all—but with a view to discharging our duty, to get information and to apply our intelligence based on that information to a review of these estimates to see whether they are reasonable and should be passed and approved. How can we do that when we do not get information, when we are told that these items were put in by the officials of the department?

I should like very much to have an opportunity of asking the officials of the department about the method by which they arrived at these substantial figures. I should like to ask them, what are the programmes, the well thought-out and carefully integrated programmes which they ought to have had in mind, yes even as far advanced as the blueprint stage, long before they asked the minister to take the responsibility of going before the treasury board and asking for substantial amounts of money under the heading of information and publicity? Would that not be the responsible course? Would that not be a course that would permit this House of Commons to do its duty?

A word in conclusion about the general attitude toward this and other items in the minister's estimates. I tried to make it perfectly clear last night that we of the official opposition attach the utmost importance to the work of this department. I think I indicated that we had the view that there are no two more important aspects of government administration than health and welfare. Therefore, let no one say that it is in any spirit of hostility to health and welfare that we approach our duty with regard to these estimates. I indicated last night, and I repeat now, that in approaching these estimates we want information. We want to be sure that what is asked for here will represent the soundest application of the taxpayer's dollar. that the taxpayer is going to get value in good administration of health and good administration of welfare services for the dollar he is being asked to pay.

We are going to have the budget before us before very long, we hope. What are we to be told by the Minister of Finance when we come to discuss taxes? I think it is fair to say that if the minister recommends any reduction in taxation he will say that that can be done only to the extent that we are prepared to spend less. If he does not recommend any reduction in taxes he will probably say that he could not do so because the house has insisted on large expenditures for certain services that are considered by the house to be necessary. Would it not be helpful to the Minister of Finance; would it not be helpful to ourselves if we weighed in the light of common sense and in the light of information, which we do not seem to have at the present time, these expenditures that we are being asked to pass?

The hon. member for Winnipeg North Centre, speaking of the duty and functions of this department to provide and disseminate educational information throughout Canada,

said that what we need is not less information, but more information. Those are true words, and if I might add to them I would say that what we need is the best possible information. It is only when we get the best possible information that shall have the best application of the taxpayer's dollar. The minister has said, and rightly, that our health problem to-day is, in effect, to close the gap between what we know and what we do, that that is the way to meet the killers of humanity. I wonder how much this department is contributing to the elimination of those killers by this May "filler" issued by the department:

> Better health and greater happiness for children are expected to result from wise spending of the family allowance it is stated by officials of the Department of National Health and Welfare, Ottawa. A family's basic needs include adequate food, clothing, shelter and medical supervision. Family allowance officials suggest that, when all these things have been provided, parents use what is left of their income on extras calculated to add zest to living.

Is it making the wisest application of the taxpayer's dollar, the dollar which the Minister of Finance may be trying to conserve when he brings in his budget, to tell the people of Canada to use the money paid out in family allowances to add zest to living? Is there a member of this house who thinks that is adding to the education or information of the people of Canada on necessary matters of health, to be told to use the remainder of the family allowances to add zest to living? I hope, Mr. Chairman, that is not a fair sample of the kind of publicity which is being issued by this department. I hope it is not a fair sample of the way in which the taxpayers are being called upon to contribute over half a million dollars to the publicity channels alone of this department.

I do not wish to prolong this discussion. I think the issue is perfectly clear. But I do want in all good part to say to the minister that we have important estimates of his department to review. We do not intend to approach them in any spirit of hostility, but we want to see the money spent wisely on health and welfare, and so far as we can be satisfied that the money is to be devoted to wise purposes we shall be back of his programme to a man. But we shall want a lot more information than we have yet been given.

I ask the minister now, with a week-end ahead of us, if before this committee proceeds to consider the detailed items of his estimates he will provide the house with information on all expenditures of his department for publicity last year; that is the fiscal year ended March 31, 1946, in all these branches in which we are asked to approve appropriations for publicity and information. In the second place, will he give the committee the expenditures made by this department during the fiscal year ended March 31, 1946, for publicity and information representing payments made outside of departmental salaries, that is to persons outside the department, and to whom these amounts were paid, and what the amounts were? I think the committee will receive that information with appreciation.

There has been enough said in all parts of the house, at least by those who sit on this side of the house, to make it clear to the minister that we want to see carried on a greatly extended programme of research. There is great hope in the realm of research, and if it comes to choosing between expenditures on research and expenditures on publicity of this kind I think it is the duty of the house to make it quite clear to the minister for his guidance and that of the government in future that we would rather see the money spent on research. Where money can be spent wisely on education, let it be spent, but spend it wisely.

Mr. HANSELL: Mr. Chairman, this is the first time that I have spoken on this department. I can assure you I have listened with a great deal of interest to those who have preceded me. It seems to me that the one great plea that has been made by all speakers is that the function of the Department of National Health and Welfare should be widened in its scope, that it should become more effective, that we should have more research, that other types of health service should be set up, and especially should we try to facilitate the cure of those who are suffering from such maladies as arthritis, cancer and other diseases which are looked upon as being more or less incurable.

I rise to mention what may appear to be a rather tiny thing but one which some speakers have overlooked. I refer particularly to the security of those sufferers, perhaps incurable, who because of their financial circumstances are thrown upon either charitable institutions or perhaps upon their civic governments to receive assistance in the form of relief, which, after all, is a pittance, or else have to rely upon the good graces of friends or perhaps their relatives who are not in a position to keep them. I think we could all cite a good many such cases. The minister may feel that this does not primarily come within his department, but his department is known as the Department of National

Health and Welfare and the minister is due sooner or later to put through a measure of social security.

I had several cases brought to me last year, one that I am particularly well acquainted with. This young woman was afflicted with infantile paralysis, and it was found, after some considerable treatment through the programme of the Alberta government, that nothing much could be done for her because the disease had gone too far. She is one of the finest types of young women I have ever met. Her mother is a widow. This young woman wrote to me and said, "Mr. Hansell, what am I going to do? Is my widowed mother to keep me for the rest of my life?" That is only one case, but I am certain that it could be duplicated thousands and thousands of times in Canada.

I had another case of an epileptic woman. Her mother and father were on the old age pension. She said, "My only help is from my mother and father." I speak for these people because, while these cases may not be so numerous as others, and they are scattered throughout the length and breadth of this land, they have no organization. It is almost impossible for these incurables to bring into existence an organization that can present their case and mobilize public opinion behind them. Yet I suppose there is not a member of parliament sitting here to-night, or sitting anywhere else on this Friday night, who is not just as anxious about these cases as I am. I think we are all agreed that something should be done for them, and I plead on their behalf that something should be done for them. I know I have the support of parliament. I would ask the minister what he is prepared to do for them. Are they still to be considered as indigents, a word that has fallen into miserable disrepute? Are they to be considered as relief recipients, another term that has fallen into disrepute? Surely our country and civilization are worth more than that. I ask the minister what he or his government is prepared to do for these unfortunate people; I do not know what his answer is going to be.

Nearly everyone who has spoken to-day has raised his voice on behalf of patients afflicted with cancer, arthritis and rheumatic diseases. I am not going to repeat their pleas; I would just add mine as one more voice, one more pleading voice, perhaps a "still small voice" that is "crying in the wilderness", but surely 245 voices all crying in the same wilderness should bring forth some results.

I was particularly interested in the speech this afternoon of the hon. member for Lethbridge. I really think he put the minister on the spot. As he was speaking I fancied he was a mind-reader and could almost tell beforehand what the minister's reply would be. When the minister rose to reply to these pleading voices, I thought he was floundering around, probably because the hon. member for Lethbridge had stolen some of his thunder. When the minister had finished his reply I wondered whether I dared send out *Hansard* to these people who had written in asking us to lift our voices on their behalf. I could imagine the young woman whom I have referred to as an infantile paralysis case, the paralytic girl I have in mind, and a host of others getting copies of *Hansard,* looking at the index to find the Department of National Health and Welfare, turning over the pages anxiously to see what the government was going to do for them, and then reading the minister's speech.

Mr. SINCLAIR (Vancouver North): And your remarks, too.

Mr. HANSELL: Yes, and my remarks too. What a disappointment they would have! I believe they would put *Hansard* aside and say, "Well, I suppose we shall have to await another election for a few more promises, and perhaps by the time I am an old woman"—or, an old man—"I may get an extra few dollars." It seems to me that that is all the minister's answer amounted to.

I appreciated what the hon. member for Lethbridge said as to what was the source of the minister's trouble, and I am confident that he was right. All of us want our people to be healthy; all of us want clinics to be established and research to be proceeded with. But it costs money. That is where the "sticker" is, and let us admit it; the minister does not know where to get the wherewithal to finance these projects. He said that the solution offered by this Social Credit group is a solution of "funny money." I believe *Hansard* will record that he made that statement—"funny money"—and of course he was not going to use that and put the economy of Canada into, I think he said, a "jackpot" or something like that.

Let me ask him one or two questions. How does he know that the money we would propose to get is funny money? And how does he know that if he used a few million dollars of national money, issued without debt to the taxpayer and the country, he would upset our

whole economy or put it into a jackpot or a cocked hat or whatever term he wants to use? How does he know?

Mr. MITCHELL: Ask yourself the same question.

Mr. HANSELL: My suggestion is this, try it and see. I am not saying that he should go to the Bank of Canada and say, "Mr. Banker, give us a billion dollars"; I am asking him to go there for a few paltry millions. We have been talking throughout the war years in terms of billions. Let him go and ask for $5,000,000.

Mr. PROBE: Let him make it a little more than that.

Mr. HANSELL: Why, $5,000,000 is just chicken feed.

An hon. MEMBER: Some chicken.

Mr. MITCHELL: Social Credit feed.

Mr. HANSELL: I expect my congregations in the churches where I preach to come forward with a little more than chicken feed. Let him try this; let him ask for $10,000,000. Surely that is only a drop in the bucket.

Do I understand that the Minister of Finance poked his head in the curtain and then pulled it back again?

Mr. MITCHELL: My hon. friend is just saying that to bolster up his speech.

Mr. ROSS (Souris): That actually happened.

Mr. COLDWELL: Yes, that actually happened.

Mr. HANSELL: I did not hear the Minister of Labour. When I was a boy we used to go out snaring gophers. We put the snare around the top of the hole; there we would stay for one minute, two minutes, five minutes, maybe fifteen minutes, and when that gopher put his head up through the hole we would pull, very often only to find that the gopher was a little faster than we were. I think that was the case with the Minister of Finance; perhaps he pulled his head in before I could pull the snare.

Let the government ask the Bank of Canada to bring in a little legislation which will issue, free of debt, about $10,000,000—surely that is not going to upset the whole economy of the country—and see what effect it has. I challenge them to do that and prove whether or not that money would be phoney money and whether the issuance of it would knock the economy of this country into a cocked hat. I challenge the minister to do that. Just a paltry $10,000,000, chicken feed.

Mr. MITCHELL: Why not make it $10 billion? If you want to be foolish, be foolish.

Mr. HANSELL: You would be afraid to do that. I would not want the minister to do it with a palpitating heart, fearing he is going to ruin the economy of the country. I am suggesting $10,000,000, mere chicken feed. I am suggesting that he pay it out for national health. That is not very much to spend for such a purpose. If he does not do it, this country should know that he regards the mighty and holy dollar as more sacred than the health and welfare of our children.

I think that is a good place to stop.

Mr. McKAY: Just one brief word before we pass this item. Since my speech on cancer this afternoon I have been making a brief examination of the annual report of the department of public health of Alberta, and from what I see there I have every reason to congratulate that province on the splendid progress it has made in developing cancer clinics. It was not my intention this afternoon to make any invidious comparisons between provinces, but I would say this. If there is to be a race between one province and another to see which develops the best cancer clinics, I am all for it. Saskatchewan has set up free clinics, free in very sense of the word, free diagnosis, free X-rays, free radium treatment and free surgical treatment, without any limits, for rich and poor alike.

Mr. IRVINE: Free hospitalization?

Mr. McKAY: Yes, and free hospitalization, without limit and absolutely without cost. It is my hope that every province will do likewise in order to defeat this terrible scourge.

Mr. COLDWELL: There is one thing I would ask the minister to do. It does not come within his department and the budget is no doubt being prepared. When it is brought down I hope the minister will use his influence with the Department of Finance to see if we cannot get invalid equipment brought into the country duty free. I know that certain types of chairs, bed-tables and so on, used by invalids, come under a fairly high rate of duty, and I think this is one place where it would cost the government very little and would bring a good deal of relief to people who have sickness in their families. I mean the placing on the free list of equipment of that type for the assistance of invalids. I will support any appropriation that is made to assist in the study of cancer, rheumatic diseases, sclerosis and those mysterious diseases which afflict so many people at the present time, but I would ask the minister if this might be kept in mind when the budget is brought down.

Mr. STIRLING: Surely the minister will reply to the request for information from the

hon. member for Eglinton. He has requested certain information which in the past in other departments has undoubtedly been forthcoming—the amount expended under the vote in the previous fiscal year. Surely the minister will comply with that request.

Mr. CLAXTON: In reply to the member for Rosetown-Biggar, as he probably knows, the Department of Veterans Affairs has succeeded in securing the entry of such equipment for veterans, and I have been greatly interested lately in receiving representations by the veterans themselves that they would be glad to see such equipment imported free into Canada for other than ex-soldiers. I shall be glad indeed to see every possible consideration given the representation.

With regard to the questions of the hon. member for Eglinton, I have not, I hope, given the impression that I was not willing to give any information, or that I was finding it difficulty to give any. It is perfactly possible, given time, to secure information on any expenditure by the government; and when I gave the figure before, of the expenditure made under this vote of $2,421, that was the figure I had before me. Since then, however, I have sent out for further information, and I find that we have a figure for the period up to March 31, 1946 of a total expenditure for the year of $24,959.68. Also, I am told that the unexpended balance at March 31, 1946, of $25,040.32 was committed for in part, although the accounts were not submitted and therefore not paid, and since the vote expired the amount due on the commitment will have to be paid out of the 1946-47 publicity vote. In this connection there is, as I explained, I hope to the satisfaction of the committee, quite a wide demand for a wide variety of publicity activities, which it is not possible to allocate under the different departmental heads such as nutrition, tuberculosis, venereal disease, child and maternal hygiene and the like, and it is necessary to provide for their general allocation. This vote is used for that purpose. I shall be glad indeed to obtain from the treasury, as the figures become available, anything that my hon. friend wants. As he knows, every member is entitled to that and he will get it. It is just a question of availability at any particular moment. He must realize that it is not possible for one to carry with him into the house the breakdown of every expenditure up to date. I hope, therefore, that with that explanation it will be agreed that the item should pass; and in view of the interest he has taken, and which other hon. members have shown in these items, I shall endeavour to obtain the information from the officers of the department and the treasury and have them available when these estimates next come before the house.

Just one further word. The hon. member seemed to suggest that the officers of the department were responsible for the estimates. He must know that the deputy ministers draw up the estimates after consultation with their officials, as a result of weeks and months of work, having regard to what they plan, what they spend and what they expect to do, and in the light of the over-all position. It is then taken up with the minister and, when signed by him, is put before the treasury and then ultimately brought before parliament. I hope the hon. member did not suggest that there was anything wrong with officials putting forward estimates. There is no other way in which it can be done at the initial stage, but the estimates must, of course, be put forward by the deputy ministers, and by the ministers before parliament.

One word in reply to the hon. member for Macleod. I would be very glad indeed if I could give him all the assurances he wants, both on fiscal and other matters, but in regard to disability benefits we did have a debate in the house, and I indicated what I considered would be the right view at that particular moment, on that occasion. I do not think he would want me to go over it at this time; but I must say that I have, as everyone has, the utmost sympathy for the people who are afflicted as those are whom he had in mind. It is a question of what agency should look after them. If it is decided that it should be some agency other than that which it always has been, then I think it is something for the provinces and the dominion to agree to. Until that is done all we can do is to continue to administer the laws in accordance with the constitution.

Mr. MacINNIS: I am glad that my hon. friends to the right insisted on an explanation of the vote that was brought up by the hon. member for Vancouver-Burrard. When the minister gave the explanation that of the $50,000 vote he could account for $2,400 which had been expended up to December 31, 1945, I thought it was the most amazing answer that I had ever heard given this house over a period of fifteen years. So far as hon. members are concerned, these estimates are important or they are not. A mere item in the estimates does not mean anything to a member unless he has an explanation of what it is for. Indeed, a member should not pass such an item unless he knows what use is to be made of it.

I am not at all satisfied with the explanation given by the minister a moment ago as to how

these estimates are arrived at. Surely he does not arrive at an estimate by saying or have someone from his staff say that we shall put down $50,000 for this and $25,000 for that and so on. Surely, when an estimate of $50,000 or of any amount is put down under any particular head there is before the minister a description, not a complete itemized account as to how it is to be spent, but at least an indication of what is to be done with it. It seems to me that is the only way that an item makes any sense when it comes here, and the only way in which the minister can make it real to the members of the committee. That is why I suggested, since this is a new department, that a break-down of the item of last year, which I insist the minister ought to have before him when he came into the committee, would be the easiest way to arrive at whether or not the money was well spent.

I do not want to draw any invidious comparisons between one minister and another. Certainly I do not wish to do that so far as the present minister is concerned. I did not take any part in the discussion of the estimates of the department which were before the committee for about a week. I am sure that those who did take part in that discussion found that they got about all the information they could be given, and I do not see any reason why we should not receive the same information from the department with which we are now dealing.

I wish to say a few words on the general subject which has been discussed to-night. I find it difficult to understand my Social Credit friends. If my memory serves me aright, I believe that one of them said in a public speech a few days ago that that country was governed best that was governed least. If that is a good maxim to go by, surely we should not ask in the next breath that the minister of health or any minister should inject himself and his department into every phase of our economic, cultural and social life. Either we want a government to do things or we do not. I take the position which was taken a little earlier in the evening, perhaps in a different way, that the government is an agency of the people which does for the people collectively what they are not able to do for themselves individually. The moment our affairs reach the stage in any department where the collective will and the collective effort of the people can be mobilized to do the thing which individually we are no longer able to do for ourselves, then at that moment that thing is ripe for government action. Our health affairs have in many respects, perhaps not all, reached that stage. I do not believe—if I ever did, it was a wrong belief—that health is a matter that can be maintained by doctors. I believe the more doctors you have, the more disease.

Some hon. MEMBERS: Oh, oh.

Mr. MacINNIS: The diseases of your grandparents and their parents were few and simple.

Mr. MACKENZIE: We had no doctors.

Mr. MacINNIS: We had no doctors. When you multiply your doctors you multiply the number of diseases, and if you are not sick before you see a doctor you will be sick afterwards. That will continue to be the state of affairs until, as some hon. member said this afternoon, the doctor becomes an educator who will tell the people how to maintain health rather than try to cure people when through their bad habits they get into ill health.

There is not an hon. member in this chamber to-night who does not know that by his own actions he can make himself sick within the next day or so. He knows equally well—

Some hon. MEMBERS: Oh, oh.

Mr. MacINNIS: Every intelligent person knows that if he takes care he can preserve his health and feel fit from day to day. I believe in public health. I believe that fresh air and the plentiful use of soap and water do more to promote health than anything else.

An hon. MEMBER: Just water?

Mr. MacINNIS: I always insist on drinking water. That is why I keep my health. You cannot take it out of a bottle with a spoon or from a pill in a bottle or a box you carry in your pocket. If we and the minister are to deal with this matter effectively we shall have to work to get the cooperation of the provinces so that we can have a national health system. I thought under the then Minister of Pensions and National Health, with the efforts that were made in 1942 and, I think, in 1943—the fact that we were coming to an election in those days may have had nothing to do with it—we were really moving toward a national health system for Canada. I do not know why the thing has fallen down, why it is to be thrown away now after so much very good work has been done. The staff of the former department did excellent work, and we should carry on with that work, despite certain set-backs, until we convince the people of Canada that a national health system will pay for itself.

Mrs. STRUM: I almost got shut out to-night by being a gentleman, and I am going to quit acting that way. I want to

say a few things under the general item which cannot be said under the item concerning child and maternal welfare, on which I intend to speak again. I wish to congratulate the minister on bringing to this country from England a distinguished person, Sir Wilson Jameson. It was a very great privilege to listen to him, and I only regret that all hon. members of this house did not attend the meeting in the railway committee room.

Mr. JACKMAN: We were practically all there.

Mrs. STRUM: If you were I did not see you.

Mr. JACKMAN: I was amazed myself.

Mrs. STRUM: I thought it was a great advantage to have first-hand the plans of the government of Great Britain and the marvellous example they are setting the world. Here we have this devastated country, which had one-third of its homes damaged or destroyed, undertaking a great rehousing programme with public money.

Mr. GRANT: We are giving them the money.

Mrs. STRUM: I am coming to that. They are undertaking subsidized housing, so that even the poorest people can live in decent houses even if they cannot pay economic rents. These people who are undertaking this terrific thing in housing are now undertaking a terrific thing in public health. I think this is the valuable thing the British people do. They meet a need and establish a precedent; that is the British tradition which I am proud to own. Here we have the British people, in the hour of their extremity, amid the ruins of their homes and their country, planning to supply forty million people with complete coverage, while we in this country, who did not have one home destroyed; who have more equipment and a greater production potential and greater wealth than we had before the war are still denying help to the poor arthritics, the victims of infantile paralysis, the victims of cancer, the victims of any one of a hundred other things which can kill you—and you will be just as dead. Here we are still saying we do not know where we are to get the money. I think we need education, but even more I believe we need some political education in this country, the sort of thing that will tell the people that Great Britain now has undertaken to own, in the name of all the people, the basic industries and to spend for the good of all the people the revenue derived from their operation. I have in my hand a clipping from the Ottawa *Citizen* containing a news dispatch dated May 14, 1946, from the London representative of that newspaper, outlining the objectives and the accomplishments of the Labour government of Great Britain. It says:

1. Every man, woman and child will get free medical attention under a national health scheme and every general practitioner will be working for the state at an average salary of $4,500.

2. Apart from this national health scheme, the social security of every Briton, regardless of financial status, will be guaranteed by the state from the day of his birth to the day of his death and including allowances to mothers before the babies are born.

It goes on to say that England will now have state-owned and state-operated coal mines, and goes through the whole catalogue of resources of England from which the people will now enjoy the revenue. They will own the great public utilities of England; the revenue will go into the treasury and will be returned to the people in housing, in health and in well-being. That is the sort of education I am interested in. That is the sort of education I intend to carry on inside and outside this house as long as I am able to do so, because the people of this country need to be told that this government refuses to undertake the technique that will replenish the treasury so that adequate funds may be given to the Minister of Health and Welfare, who is now doing an execellent job, with the limited resources his party allows him to have, in looking after the health of this country.

I believe in public education. We have all kinds of voluntary organizations doing excellent work. For twenty years I belonged to the women's institutes of my province. For twenty years we circulated petitions and passed resolutions, until we were black in the face. We asked for better old age pensions, for mothers' allowances, for blood testing of both contracting parties before marriage, for free textbooks, for free cancer care. These simple, sensible human needs of the people we asked for again and again; we carried on public education, but it was not until our province got political education and elected a C.C.F. government that we got all these things. And we got them in one year. To-day our financial position is better than it has ever been in the history of the province, regardless of the fact that we had a severe drought last year. You need only consult the bond markets to see that our bonds have hit a new high. We have retired a sizeable chunk of the public debt, and our sinking fund is much greater than it was two years ago.

It is true that education is a necessary thing, but I did not notice any campaign of education about this time last year directed toward family allowances. I did not know of any widespread demand for them, unless it was from the party I represent, because ever since I was in New Zealand five years ago I have been talking about family allowances. We got family allowances, but I submit that the Prime Minister did a good thing for a bad reason. That was not preceded by years of public education, either. So I submit that political education is the thing this country lacks most of all.

Item stands.

Progress reported.

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

Monday, June 3, 1946.

The house met at three o'clock.

STANDING ORDERS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. MATTHEW MacLEAN (Cape Breton North-Victoria) moved that the second report of the standing committee on standing orders, presented on May 30, be concurred in.

Motion agreed to.

MEAT AND CANNED FOODS ACT

LABELLING OF CANS—CANNED FISH OR SHELLFISH

Hon. H. F. G. BRIDGES (Minister of Fisheries) moved for leave to introduce bill No. 164, to amend the Meat and Canned Foods Act.

Mr. STIRLING: Explain.

Mr. BRIDGES: By way of explanation I might say that this bill is composed of only two sections. The first section is to amend the Meat and Canned Foods Act so that it will no longer be compulsory for dealers to have cans of fish or shellfish labelled with the name of the place and/or province where the same are packed. The present requirement causes unnecessary hardship to assemblers who pack or buy a number of products in more than one province, in which case labels have to be made for each type of product and for each province where it was packed. The amendment will make this no longer necessary. I might also say that the present requirement is now unnecessary, as under the regulations all cans are required to be embossed with the registered mark or number of the cannery in which they are packed.

The second section of the bill substitutes "fish or shellfish" for the word "lobster". This change will provide statutory authority for the establishment of standards of quality and grades for canned fish or shellfish in addition to lobster if the need for such is established to the satisfaction of the governor in council.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 157, for the relief of Mary Epstein Harris.—Mr. Maybank.

Bill No. 158, for the relief of Helen Irene Flewelling Wilson.—Mr. Maybank.

Bill No. 159, for the relief of Maitable Horwitz Hollander.—Mr. Maybank.

Bill No. 160, for the relief of Pauline Giséle Guénette Villeneuve.—Mr. Maybank.

Bill No. 161, for the relief of Mary Jaclyn Robinson Jeffrey.—Mr. MacLean.

Bill No. 162, for the relief of Jessie Hope Forbes Hardie.—Mr. Emmerson.

Bill No. 163, for the relief of Robert Venor.—Mr. Maybank.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WAR ASSETS—MOTOR VEHICLES

Mr. FRASER:

1. How many motor vehicles of all kinds have been stored by the War Assets Corporation in the St. Thomas and New Sarum districts of Ontario?
2. How many of these vehicles have been sold or otherwise disposed of?
3. Have any of the vehicles that have been stored in this district been stolen or lost?
4. If so, how many?

Mr. McILRAITH:

1. At this date there are 1955 vehicles at New Sarum, Ontario, which have recently been declared surplus by the Department of National Defence (Army).
2. These vehicles are currently being disposed of by War Assets Corporation.
3. No.
4. Answered by No. 3.

H.M.C.S. CORNWALLIS

Mr. DIEFENBAKER:

1. What was the total cost of the Canadian navy's training base H.M.C.S. Cornwallis?
2. When was it completed?
3. Has it been decommissioned?
4. If so, what use is now being made of the buildings, premises, facilities, etc.?

Mr. ABBOTT:

1. $9,148,747.59.

2. 30th November, 1944.

3. Yes; paid off 1st March, 1946.

4. The Department of Veterans Affairs have taken over 44 buildings and the heating plant in the drill shed. The remainder was turned over to War Assets Corporation.

PUBLIC WORKS—CHARWOMEN

Mr. COLDWELL:

1. How many charwomen are employed in Ottawa by the Department of Public Works?
2. What wages do these women receive?
3. How much annual leave with pay are they entitled to?
4. How much sick leave with pay are charwomen entitled to?
5. What arrangements are made by the department to replace charwomen who are temparily absent through illness?

Mr. FOURNIER (Hull):

1. Part-time charwomen, 2,052; full-time charwomen, 6.

2. Part-time charwomen, $420 per annum; full-time charwomen, $900 per annum.

3. Part-time charwomen, nil; full-time charwomen, one week.

4. Nil.

5. The charwomen are allowed to send their own substitutes to replace them while absent on sick leave. If this is not done, the department supplies the substitutes.

ELEVATOR OPERATORS

Mr. STEWART (Winnipeg North):

1. Have the elevator operators in the government service been recently granted an increase in salaries? If so, when did such increase go into effect?
2. How many employees have received this increase?
3. Who is responsible for recommending increases?
4. On what bases are increases awarded?
5. Are allowances in lieu of uniform granted? If so, how many?

Mr. FOURNIER (Hull):

1. Under order in council P.C. 183/119, dated January 16, 1946, the maximum salary for elevator operators was raised from $1,200 per annum to $1,380 per annum, and from $1,380 per annum to $1,560 per annum for the elevator operator on the privy council elevator in the east block, Ottawa. This increase went into effect on January 1, 1945.

2. No employees have received this increase. The recommendation in this regard is now before the civil service commission for approval.

3. The Department of Public Works.

4. Increases are awarded when employees have served one year and they have been on active duty at least ten months during that year or from the date of last increase. Employees must also give efficient service and operators receiving above increases must have knowledge of the names of employees working in the building in which he is employed to direct visitors to the proper place.

5. Allowances are not granted in lieu of uniforms.

DEPARTMENT OF VETERANS AFFAIRS—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Department of Veterans Affairs?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. MACKENZIE:

1. Total cost including current annual salaries with cost of living bonus, and actual travelling expenses during fiscal year 1945-46; $36,175.56.

2 and. 3.

Employee	Annual salary (including cost of living bonus, if any)
E. B. Reid	$ 5,040 00
L. B. Connery	3,600 00
W. H. Agnew	3,060 00
L. E. Trepanier	3,060 00
A. T. Paton	2,778 12
C. A. Pope	2,778 12
G. S. Way	2,598 12
W. A. Smith	2,141 04
Miss E. Cavanagh	1,841 04
Miss M. E. Baxter	1,661 04
Miss Y. Blouin	1,474 20
I. J. Gareau	1,404 00
Miss M. A. Fessler	1,263 60
Miss M. G. Jackson	1,263 60

4. Yes, twice monthly; average cost of publishing, including cost of engravings and paper, is approximately $270 per issue.

INCOME TAX—FARMERS

Mr. WINKLER:

1. What was the practice of the income tax department in respect to farmers who overpaid their income tax of 1942 by reason of not being aware of the provision of "forgiving" half of the tax?

2. In how many cases were applications by farmers for a refund in the above cases refused or not acted upon?

Mr. McCANN:

1. The practice was to refund the overpayment by reason of the forgiving of a portion of the tax.

2. So far as known, none.

DEPARTMENT OF RECONSTRUCTION AND SUPPLY—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Department of Reconstruction and Supply?

2. Who is employed?

3. What salaries are they paid?

4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. McILRAITH:

1. $1,380.52 per month.

2 and 3.	Monthly Salary	Cost of living bonus	Total
G. C. L. Hawkins	$ 300	$	$ 300 00
C. A. O'Brien ..	210	6 51	216 51
R. Ekstein	135	18 42	153 42
T. Mortimer ...	120	18 42	138 42
F. G. Murphy ..	115	18 42	133 42
M. T. G. Arbique	105	17 85	122 85
D. Pollock	100	17 00	117 00
L. Lepage	95	16 15	111 15
I. L. Giroux	75	12 75	87 75

4. No.

INCOME TAX—FARMERS

Mr. WINKLER:

1. Regarding farmers income tax, is it the practice of the income tax department to dispose of returns below $5,000 at the provincial officer of the inspector of taxation (federal)?

2. Do farmers' returns in excess of $5,000 have to be sent to Ottawa for approval?

3. How many cases as above have now been sent back from Ottawa in the years 1943-44-45 to the Winnipeg office (Inspector of Income Tax) market "not approved?" On whose authority was this done?

4. Were officials in the income tax department at Ottawa made aware of the limitations that the quota marketing imposes on grain producers by reason of (a) quota system on so many bushels per acre sown; (b) obligation to market at one shipping point; (c) limitation of available shipping space?

Mr. McCANN:

1. No.

2. Yes.

3. (a) Information not available; (b) Following head office auditors examination on the authority of the deputy minister.

4. (a) The department was aware of the quota system; (b) No; (c) No.

DEPARTMENT OF RECONSTRUCTION—PRESS RELEASES

Mr. FRASER:

What is the cost of editing, printing and mailing the Department of Reconstruction daily press releases?

Mr. McILRAITH: No daily press releases are issued by the Department of Reconstruction and Supply but releases are issued, however, at irregular intervals whenever it is considered necessary to do so. As the preparation of these releases is only one of the many functions of the publicity branch, and as other branches are involved in the preparation and distribution, it is not readily possible to determine the exact cost.

PRINCE RUPERT DRY DOCK AND SHIPYARD—SUBSIDY

Mr. ARCHIBALD:

1. Has a subsidy ever been paid to the Prince Rupert drydock and shipyard?

2. If so, what term of years did the subsidy cover?

3. What was the amount of the subsidy annually?

4. Has such subsidy been discontinued?

5. If so, has any action been taken to reinstate this subsidy?

Mr. FOURNIER (Hull):

1. Yes.

2. Twenty-five years.

3. $76,970.88.

4. Yes, term of the subsidy payments having been completed.

5. No.

VETERANS LAND ACT—HOUSES—CHARLESWOOD, MAN.

Mr. ROSS (Souris):

1. How many houses have been built or are under contract to be built in Charleswood, Manitoba, under the Veterans' Land Act?

2. What is the total cost for each unit, including land, water works, etc.?

3. Who is the contractor?

4. On what basis are these houses sold to veterans?

Mr. MACKENZIE:

1. Ninety.

2. Not finally determined.

3. Bird Construction company, Winnipeg.

4. Under the terms of the Veterans' Land Act which requires an initial down payment of at least 10 per cent of cost of land, buildings and other permanent improvements, plus any

cost in excess of $6,000. The balance may be amortized over a period up to twenty-five years, with interest at 3½ per cent; subject, however, to any adjustment which may be made under the provisions of order in council P.C. 1278 of April 2, 1946.

CIVIL SERVICE—PREFERENCE TO MERCHANT SEAMEN

Mr. POULIOT:

1. Do merchant seamen have preference in the civil service?
2. If so, since when, and what is such preference?

Mr. MARTIN:

1. No.
2. Answered by No. 1.

CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. MOORE:

1. What are the names of the officials of the Central Mortgage and Housing corporation?
2. Which of these officials, if any, are or were associated with insurance companies?
3. What are the salaries of these officials?

Mr. McILRAITH:

1. The following have been appointed officers of the corporation by order in council: D. B. Mansur, Esq., president; Major-General H. A. Young, vice-president.
2. D. B. Mansur was associated with an insurance company.
3. D. B. Mansur, $18,000 per annum; Major-General H. A. Young, $12,000 per annum.

ROYAL COMMISSION ON COOPERATIVES

Mr. MOORE:

What was the total cost to the government of the McDougall report and the commission on the taxation of cooperatives?

Mr. MAYHEW: $134,597.78.

RADIO BROADCASTING—CFRB, TORONTO

Mr. DIEFENBAKER:

1. Who are the owners of radio station CFRB Toronto?
2. If a limited company, who are the shareholders?
3. (a) Have there been any changes in the ownership of shares since the 1st of July, 1945; (b) If so, when, by whom, and to whom were transfers or assignments of shares made?

Mr. McILRAITH:

In so far as the Department of Transport is concerned:

1. Rogers Radio Broadcasting Company Ltd.
2. Standard Radio Ltd., G. Harrison Smith, Harry Sedgwick, Carl J. Sanders, J. E. Rogers, D. I. McLeod, Samuel Rogers, V. C. McGlennan.

[Mr Mackenzie.]

3. (a) No application for any change has been received by the department; (b) answered by (a).

DEPARTMENT OF NATIONAL WAR SERVICES—PURLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Department of National War Services?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. McCANN:

1. There is no publicity personnel in the Department of National War Services.
2. and 3. Answered by No. 1.
4. A departmental paper is not published.

DEPARTMENT OF TRANSPORT—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Transport Department?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. CHEVRIER:

1. Salary costs alone answered by No. 3.
2. W. H. van Allen, H. M. Nesbitt (Miss).
3. $3,000, $1,228.
4. No.

CONSCIENTIOUS OBJECTORS

Mr. COLDWELL:

What is the number of conscientious objectors still being held in detention camps?

Mr. MITCHELL: As of April 30, 1946, there were 91 postponed conscientious objectors in alternative service work camps.

IMMIGRATION—SKILLED WORKERS FOR INDUSTRY

Mr. CHURCH:

What is being done by the government to aid immigration from Great Britain of skilled workers for industry in Canada?

Mr. GLEN: The regulations provide for the admission to Canada of British subjects from Great Britain having means to maintain themselves until employment is secured. The only additional requirement is good health and character. There is no provision for assistance to any particular class.

PRISONERS OF WAR—FARM LABOUR

Mr. BLACKMORE:

1. How much per month must a farmer in the Lethbridge district pay for a prisoner of war to do beet work and other farm labour?

2. How much of this monthly wage may be spent for the prisoner of war buying goods of certain kinds and deducting the cost from the monthly cheque?

3. What becomes of the remainder of the cheque?

Mr. MITCHELL:

1. $50 per month, or $1.75 per day, plus board and lodgings where the prisoner is placed on an individual farm. Where the prisoner is working out daily from a hostel, payment is on an acreage rate basis for sugar beet operations and on an hourly rate basis for other agricultural labour at the prevailing rate for such work.

2. 50 cents per day.

3. The amounts paid by the farmer for the services of prisoners, less the amount of 50 cents a day credited to the prisoner and less the costs of the Department of Labour for prisoner-of-war administration, are paid into the consolidated revenue fund of Canada.

CONSCIENTIOUS OBJECTORS—BANFF NATIONAL PARK

Mr. WINKLER:

1. Are any conscientious objectors performing alternative service in Banff national park at present?

2. If so, how many, and what is the daily rate of pay?

3. When will this service terminate?

4. Under whose supervision do the men work?

5. Is a fine imposed for absenteeism? If so, what amount and on what basis?

6. How much has been collected from this source, by years, at Banff camp, and what disposition is made of same?

7. Are these conscientious objectors doing alternative service obliged to remain in bounds, in camp?

8. If so, what are such regulations and by whom were they issued?

9. Are these men given periodical medical examination?

10. Are any of these men below medical standards required by the army? If so, why are they retained in camp?

Mr. MITCHELL:

1. Yes.

2. As of May 13 there were 47 postponed conscientious objectors in Banff national park.

Conscientious objectors doing alternative service work in camps receive a wage of 50 cents per day. A subforeman alternative service worker receives 75 cents a day, and a foreman alternative service worker is paid $1 per day. In addition, they are provided with board and lodging and the necessary work clothing to supplement the worker's own equipment. They are also entitled to receive benefits under the Government Employees' Compensation Act as though they were "employees" as defined by that act.

3. Service will terminate when the alternative service regulations are revoked. An individual alternative service worker in camp may be released any time he agrees to abide by the regulations applicable to postponed conscientious objectors outside of camps.

4. Under the supervision of the superintendent of the park and the camp foreman.

5. Provision has been made in the national selective service civilian regulations as amended by P.C. 2796 of April 24, 1945, section 251, s.s. (5), (6), and (8) whereby any alternative service workers who refuse to obey an order lawfully given, or to observe the orders, rules and regulations laid down for their governance, shall be guilty of an offence and liable upon summary conviction to imprisonment for a term not exceeding twelve months with or without hard labour, or to a fine of not less than $50 and not exceeding $200, or to both such imprisonment and such fine. This provision has been invoked in very few instances and only for very serious cases of complete insubordination.

6. No fines have been paid by alternative service workers in Banff national park.

7. No alternative service worker in camp shall go outside the boundaries of the camp as fixed by the camp foreman without the written permission of the camp foreman or other person authorized under the regulations to grant such permission.

8. Answered by No. 7.

9. Yes.

10. Yes. Those postponed conscientious objectors who were below the medical standards required by the army were granted the status of postponed conscientious objectors by their mobilization boards on evidence presented by them when they appeared before the board claiming exemption from military service.

Men of low category, like any other alternative service worker, may be released from camp at any time they agree to abide by the regulation applicable to postponed conscientious objectors outside of camps.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PARK STEAMSHIP COMPANY

Mr. POULIOT:

1. How many ocean vessels were the property of the Park Steamship Company Limited, during the war?

2. How many such vessels are still owned by the said company?

3. What is the respective tonnage of each vessel (a) owned during the war; (b) still owned by the said company?

4. To whom were each of the said vessels sold by the company?

5. To whom were calls for tenders addressed for each sale?

6. Are all of the vessels that were sold still registered in Canada?

7. If not (a) how many were registered in Canada during the war; (b) how many are registered at present?

Mr. McILRAITH: Return tabled.

RIDING MOUNTAIN NATIONAL PARK TIMBER BERTHS

Mr. ZAPLITNY:

1. What are the areas of the timber berths, numbers 571 and 551D, in the Riding Mountain National Park held in the name of The Northern Trust Company?

2. What amounts of money did this company pay for these berths at the time they were contracted?

3. What ground rent does this company pay for these berths annually?

4. What amount does this company pay for fire protection annually on behalf of these two berths?

BANFF NATIONAL PARK

Mr. HANSELL:

1. How many (a) season registrations; (b) trip registrations, were made at the Canmore entrance to the Banff National Park in 1945?

2. How many (a) season registrations; (b) trip registrations, were made at the Radium entrance in 1945?

3. What was the total amount collected at each entrance in registration fees for 1945?

DEPARTMENT OF NATIONAL DEFENCE—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Department of National Defence (a) army; (b) naval service; (c) air force?

2. Who is employed?

3. What salaries are they paid?

4. Is a departmental paper published? If so, what is the cost of publishing same (a) army; (b) naval service; (c) air force?

NURSING ASSISTANCE AND DOMESTIC HELP

Mr. CHURCH:

What steps have been taken since last session by the government to provide nursing assistance and domestic help for (a) soldier's families; (b) civilians in Canada?

REDISTRIBUTION

APPLICATION OF CENSUS ENUMERATION NOW PROCEEDING IN PRAIRIE PROVINCES

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Justice. To-day the census taking of the three western provinces is beginning. Will the distribution of constituencies in the three provinces be based upon the census now being taken, or upon the 1941 census?

[Mr. Pouliot.]

Right Hon. L. S. ST. LAURENT (Minister of Justice): I have not had an opportunity to give consideration to the hon. member's question, but I can say at this time that under the British North America Act as it stands the redistribution would have to be made on the basis of the 1941 census. The ten year census is the one which is required to be used for the purposes of redistribution. Whether or not there could be any change made in that is something to which further consideration would have to be given.

Mr. DIEFENBAKER: Does the minister intend to make an amendment to the British North America Act to cover this present census?

Mr. ST. LAURENT: The intentions of the government with respect to redistribution that are ready for announcement are those disclosed in the resolution which is now on the order paper. If any other decision is arrived at, it will be made known in due course.

LABOUR CONDITIONS

SEAMEN'S STRIKE

INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Is the Minister of Labour in a position to give us a statement on the progress made towards settlement of the seamen's dispute?

Hon. HUMPHREY MITCHELL (Minister of Labour): All I can say is this, that I met the operators and the seamen last Thursday and suggested what I suppose people might call an armistice in view of what has occurred since then. The ship owners are meeting in Montreal to-day, and I expect to meet them in Ottawa on Wednesday. I met the men's representatives this morning. A good many people, of course, give wonderful advice as to settling labour disputes, but, as the hon. member knows, there is no short-cut in these matters. The department has been fortunate in settling every dispute which came before it up to now, and I hope that good sense will prevail on both sides and will settle this one.

Mr. MacINNIS: I hope the Minister is not trying to give the impression that I am attempting to give him advice as to how to settle this dispute.

Mr. MACKENZIE: No hope.

Mr. MITCHELL: My hon. friend says there is no hope.

Mr. MacINNIS: No, I did not say that.

Mr. MITCHELL: I want to say that the hon. member for Vancouver East has always been very helpful in these matters.

REPORTED DISTURBANCE AT CORNWALL, ONT.

Mr. RONALD MOORE (Churchill): I should like to know from the Minister of Labour whether the government is making an investigation of the disturbance in connection with the strike reported from Cornwall, Ontario?

Mr. MITCHELL: The answer at the moment is, no.

TRANSPORTATION OF STRIKE BREAKERS

Mr. CLARENCE GILLIS (Cape Breton South): I have a question to address to the Minister of Justice; I am sorry I have not had time to give him notice of it. Has the minister been informed that persons hired and transported by the Fidelity Detective Agency of Montreal provoked the disturbances and thereby incited civil strife in Cornwall, in the current dispute of the Canadian Seamen's Union?

Right Hon. L. S. ST. LAURENT (Minister of Justice): The answer, Mr. Speaker, is, no.

Mr. COLDWELL: May I just direct a supplementary question to the Minister? Will the Minister of Justice look into this, and if he finds that the facts are as outlined, prevent such incitements to civil strife?

Mr. ST. LAURENT: The Minister of Justice has no means of preventing illegal acts apart from endeavouring to have all the constituted authorities of the country carry out their own responsibilities, and, to the extent to which he has jurisdiction to do that, it will be done.

Mr. COLDWELL: That will be done.

Mr. H. G. ARCHIBALD (Skeena): I wish to direct a question to the Minister of Transport. What is the minister doing to prevent the menace to navigation and property involved in the sailing of inadequately manned ships during this strike?

Hon. LIONEL CHEVRIER (Minister of Transport): The hon. gentleman sent me no notice of the question, but in any event I can reply that the Minister of Transport is taking all means to keep the waterways of the country open and is seeing to it that the property of the crown is protected from damage and from violence thereon.

VICTORY CELEBRATION

CANADIAN REPRESENTATION—MEMBERS OF PARLIAMENT AWARDED V.C.

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): In view of the fact that New Zealand is sending its winner of Victoria Cross with bar to London to the victory parade, will the government give consideration, in view of the fact that we have in the House of Commons two winners of the V.C., to flying them to London for the victory parade?

Right Hon. J. L. ILSLEY (Acting Prime Minister): No notice was given of this question. There has been no consultation with the two V.C.'s in the house, and under the circumstances I do not know what answer to give to my hon. friend.

Mr. HOMUTH: Just say "yes".

Mr. ILSLEY: I think the representation in London has already been arranged, but I will discuss the matter with my colleagues.

Mr. FRASER: Take it into consideration.

HOUSING

CONDITIONS AT CHARLOTTETOWN AIRPORT

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queen's): I desire to direct a question to the Minister of Reconstruction, of which I have given him due notice. Is the government taking action for the assistance of some one hundred families regarding housing conditions at the Charlottetown airport? If so, what action?

Hon. C. D. HOWE (Minister of Reconstruction and Supply): The answer is, yes The project originally entered into in November, 1945 and effective until May 31, 1946, is being continued, by arrangement, for an additional three months, during which time plans will be made for alternative accommodation.

ATOMIC ENERGY

PUBLIC CONTROL AND SUPERVISION OF DEVELOPMENT, APPLICATION AND USE

Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to make provision for public control and supervision of the development, application and use of atomic energy, and in connection therewith to provide for the incorporation of the atomic energy control board; the creation of corporations to carry out certain powers of the board which may be more conveniently performed by separate corporations; to provide for the appointment of members of the board and its officers and employees, their tenure of office, remuneration and expenses; to provide for the organization, administration and financing of the corporations; also to provide for the superannuation, pension and other rights of the employees of the board and of the corporations;

and also that the board may, with the approval of the governor in council acquire or cause to be acquired by purchase, lease, requisition or expropriation, prescribed substances and any mines, deposits or claims of prescribed substances and any works or property for production or preparation for production of, or for research or investigation with respect to, atomic energy.

He said: Recent developments in the field of atomic energy have placed Canada in a unique position among the nations of the world, in that Canada is an important source of raw material and, as well, shares with the United States the position of having a plant able to produce the final product from which atomic energy can be released. For that reason it is essential that legislative action be taken by parliament to control both the production of atomic energy and the materials from which this energy is derived. It is also of the first importance to encourage further research and development towards a peaceful and constructive application of atomic energy, under proper safeguards.

Hon. members are familiar with the part which Canada has played in the development of the atomic bomb. The house will recall that the primary materials required for atomic fission is uranium. The Eldorado mine on Great Bear lake is the second most important deposit of uranim oxide that has been discovered to date. The importance of this material as a potential war weapon was recognized some three years ago when the government expropriated the ownership of the Eldorado mine near Great Bear lake in the northwest territories, together with its refinery located at Port Hope, Ontario.

Activities in the field of atomic energy have been carried on in close association with the United Kingdom and the United States. In 1942 the Montreal laboratory was established, and leading scientists of the United Kingdom joined with those of Canada to press forward the development of the science of atomic energy. In 1943 the United States had made such progress in developments leading towards the possibility of creating a successful atomic bomb that it became clear that allied efforts in this field should be coordinated and closely integrated. Accordingly a combined policy committee representative of the United States, the United Kingdom and Canada was formed under the chairmanship of Mr. Stimson, United States Secretary of War. Other United States representatives were President Conant, of Harvard university, and Mr. Vannevar Bush, president of the Carnegie institute. The United Kingdom was represented by Lord Halifax and Field Marshal Sir Maitland Wilson. The Canadian membership on the committee was held by myself, as Minister of Munitions and Supply.

In pre-war years the United Kingdom government had made a substantial contribution to the development of atomic energy in the field of research. The joint British-Canadian laboratory in Montreal continued this work. The Montreal organization came under the administrative control of our national research council and this laboratory, with a staff of over 340, became the largest organization ever created in this country to carry out a single research project.

Prior to the war, Eldorado mine and its refinery at Port Hope had been concerned primarily with the production of radium, with uranium as a less important by-product. Radium was in over supply at the outbreak of the war, and as a consequence the operation of the mine at Great Bear lake had been suspended. When the importance of uranium was recognized the mine was reopened and brought back into production as rapidly as possible. The refinery was enlarged and was used to refine ore from foreign sources during the period required to bring down Eldorado ore from Great Bear lake.

Since then the refinery has been in operation day and night and has processed a substantial part of the uranium requirements of the united nations. A plant for the preparation of fissionable material has been constructed at Chalk River for the purpose of exploring one particular process for producing the ultimate material. This plant has certain features that make it unique and it is believed by our partners in the United States and in the United Kingdom that Chalk River can make a substantial contribution in the field of peace-time development and use of this new source of energy.

It is expected that the plant at Chalk River will provide a centre of research in Canada which will not be excelled elsewhere in the world, for a considerable time at least.

From this brief review of war-time developments, hon. members will appreciate the important position of Canada in the field of atomic energy. I have not traversed the field in great detail, since all hon. members have in mind a comprehensive review of Canada's part in these matters made by the Prime Minister in a statement to this house on December 17, 1945, on the occasion of moving a resolution to approve the agreed declaration signed at Washington on November 15, 1945, by President Truman and Prime Ministers Attlee and Mackenzie King.

Atomic bombs dropped on Hiroshima and Nagasaki were largely responsible for the surrender of Japan and the sudden ending of the war. Since the ending of the war the United States, the United Kingdom and Canada have continued their cooperation, recognizing the imperative need for the control of atomic energy as a weapon of war as well as for its development in the service of mankind.

The purpose of the bill to be based on this resolution will be to encourage research in this field, both public and private, while taking adequate security measures against the use of the material from which atomic energy is derived as a weapon of war.

The three-nation declaration on atomic energy, signed at Washington on November 15, 1945, which was approved in this house on December 17, 1945, gave recognition to the need for further cooperation not only between the three countries which have been mainly concerned with this field but also for extending this cooperation to all countries throughout the united nations. The declaration recommended the setting up of a commission under the united nations to prepare recommendations on atomic energy for submission to that organization. Such a commission was set up by resolution of the general assembly of the united nations on January 24 last. Because of the special position of Canada in this field we are the only country, apart from the great powers, to be permanently represented on the commission. General McNaughton has been appointed Canadian representative, and the commission will hold its first meeting on June 14. This commission has been charged with the responsibility of inquiring into all phases of atomic energy and, in particular, of making specific proposals with regard to certain objectives which were stated in the resolution of the united nations assembly setting up the commission as follows: (a) for extending between all nations the exchange of basic scientific information for peaceful ends; (b) for control of atomic energy to the extent necessary to ensure its use only for peaceful purposes; (c) for the elimination from national armaments of atomic weapons, and of all other major weapons adaptable to mass desrtuction and (d) for effective safeguards, by way of inspection and other means, to protect complying states against the hazards of violations and evasions.

Much has been said and written about the form of international control that should be initiated. The government is giving earnest study to this immensely complex problem. It seems to me that the meeting of the atomic energy commission will mark only the first step on the road towards international control. It is recognized that the final solution of the problem can be attained only by stages. In the long run the finding of a solution must depend on good will and mutual confidence among all the nations concerned.

I am sure that the house will agree with me that the immense gravity of the issue, raised by the discovery of atomic fission, and its potential danger to civilization, has made it imperative that we should approach this question in a boldly constructive manner. It may very well be that the problem of dealing with the newly-discovered force, so dangerous to human society, may afford us an opportunity of making a great step forward in the field of international cooperation.

Among the many discussions of the form which international control of atomic energy may ultimately take, the report recently published by the state department of the United States, which was prepared by a board of consultants, all specialists in the field, under the chairmanship of Doctor Lilienthal, deserves careful study. This report constitutes perhaps the most far-reaching attempt so far made to sketch out a plan that would control the use of atomic energy for peaceful purposes, and turn the discovery into productive channels. I feel sure than hon. members will find the Lilienthal report an absorbing and enlightening document.

Until such time as the united nations atomic energy commission has made its recommendations, and has translated these recommendations into action, it remains the responsibility of Canada, as well as that of the United States and the United Kingdom, to establish and maintain conditions under which these recommendations can be made fully effective. Canada and all other nations possessing raw materials, or productive apparatus, or special knowledge with respect to atomic energy, have a very special responsibility to establish and maintain conditions which will ensure the effective carrying out of any recommendations that may be made by the commission to provide for international control of atomic energy.

In the United Kingdom, first reading has already been given to an atomic energy bill which will empower the United Kingdom government to establish control over the production or use of atomic energy. In the United States the McMahon bill has been drafted by a special senate committee on atomic energy, and I am informed that the administration intends to conclude legislation on the domestic control of atomic energy before the adjournment of the present session of congress.

The house will apprciate, for the reasons I have just outlined, the necessity for introducing a bill for the control of atomic energy in Canada, in the terms of the resolution now being considered. It remains for me to say something of the general character of the legislation proposed. Fresh discoveries in the field of atomic energy may bring about swift developments which cannot now be foreseen precisely. Therefore, the measures for control must be not only wide, but also flexible, to meet the new situations.

The bill that will be based on this resolution will provide for a board that will continuously study the field of atomic energy. It will be the responsibility of the board to propose regulations designed to meet fresh situations as they develop. Any such regulations would be issued under the authority of the governor in council. The board will be organized, and will function, much along the lines of the national research council. Liaison with the national research council is provided for, by making the president of the council a member of the board.

There will be provision in the bill for the incorporation of crown companies, and for the taking over of existing crown companies, should the board decide that atomic energy operations can better be performed by separate and subsidiary organizations. It is possible that the operations at Great Bear Lake, Port Hope and Chalk River, may be carried on by crown companies, under close supervision of the board. The board will report to the committee of the privy council on industrial and scientific research, to which the national research council now reports. An annual report of the board will be tabled in the House of Commons by the chairman of the committee, who, at the moment, is myself. The board will make such other reports to the committee as may be required, and will also, on the board's own initiative, report any matters which the board considers should be brought to the attention of the government. Thus, machinery is provided for the government being kept fully informed, and in a position to deal with any question relating to atomic energy which will deserve its attention, or which may be brought up in this house.

Apart from the proceeds of its operations, the work of the board, and the operation of the crown companies, will be financed by moneys voted by parliament for this specific purpose. Any regulations made by the board are to be published promptly and tabled in parliament.

It is the intention of the government to encourage scientific initiative and research directed towards finding constructive applications for the use of atomic energy. The bill will empower the board not only to itself undertake research and investigation, but also to facilitate and finance approved research, to be carried out in our universities and elsewhere under proper safeguards.

To build up a Canadian source of raw materials the government will carry out its own prospecting and development programme, and will encourage private prospecting, even though all the materials related to the production and use of atomic energy are to be under government control at all stages.

Thus the bill will provide means for continuing the important developments that have placed Canada in the forefront of war-time developments in the field of atomic energy, as well as means for furthering and encouraging research and development in the peace-time application of atomic energy. The bill will provide also an appropriate legislative basis, both for the domestic control of this highly dangerous substance and for international measures which will need to be concerted by the united nations commission.

All hon. members will agree with regard to the need for legislation of the kind outlined in the resolution, as a means of bringing under control a newly discovered force of nature which promises great benefits to mankind when applied to peace-time uses, but which has great destructive potentials to mankind unless developed under strict government control. There can be no lack of agreement with regard to the objectives of the bill, and I feel that there will be general acceptance of its provisions.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, the resolution before us has to do with a very important problem, namely the control of atomic energy. I am not one of those who believes that at this stage, when we do not have the details of the bill before us, we should have a lengthy debate. Obviously the opposition is always handicapped in trying to debate a subject of this kind when it has not before it the details of the bill, which the government knows all about but about which we know little. I rise at this time to say something of a more or less general character, only because of the importance to mankind of this new form of energy, and because of the need to move cautiously, sanely and wisely in deciding how to handle it.

I want to say to the minister who has moved this resolution, to the government, to the house and to the Canadian people, that in so far as the measure to be brought forward aims to control this new form of energy, to encourage research in this new field of science,

to encourage the use of this new energy for peaceful purposes or to prevent its use for purposes of war, we shall be strongly in favour of it.

In looking over the objectives outlined in the resolution, and listening to the minister's remarks in respect to it, I see only two points on which we shall expect further light when the bill itself is brought before us. The first of these is in respect to the second objective set out in the resolution, "the creation of corporations to carry out certain powers of the board." We shall want to hear a more detailed explanation of what is proposed before we can give unanimous approval to that provision. The other is the last objective outlined in the resolution; it has to do with the expropriation of substances and any mines, deposits or claims of prescribed substances. At the moment we have nothing before us except the general statement of the purpose of the government to set up these corporations and to make provision for expropriation. When we see the details of the bill I trust we may be able to support even these clauses, but I hesitate to do so until we have seen the bill itself.

The fact is, Mr. Speaker, that since less than a year ago, when the atomic bomb was brought so forcefully to our attention, we have been facing a new situation. Physical science has exceeded the development of social science. We have produced gadgets by means of which it is possible that our civilization may be destroyed before social science has discovered how men in different nation states may live together in peace. That is the major problem human society faces to-day. We see physical science so far in advance of social science that the gadgets we produce have become a danger to humanity and, in a war-like society, may result in the destruction of our whole civilization and large sections of our population.

As I said, when there is before the house a motion to go into the committee of the whole to consider a measure involving the expenditure of money, hon. members have an opportunity to seek information as to the general scope of the proposed legislation before it is given first reading. Later, when the bill comes before us, these general principles will be amplified by the details it contains. In his remarks the minister referred to the necessity of international control of this new source of energy. I am sure most hon. members will support that idea, but in the resolution we see nothing whatever referring to such international control.

From the resolution now before us the purposes of the proposed bill are represented to be as follows: to make provision for public control and supervision of the development, application and use of atomic energy, to provide (a) for the incorporation of an atomic energy control board; (b) the creation of corporations to carry out certain of the board's powers, which was only briefly touched upon by the minister; (c) the appointment of members of the board, its officers and employees, their remuneration, expenses, and so on; (d) the organization, administration and financing of these corporations, the superannuation of employees, and so on. From this outline it is apparent that a board is to be set up which is to be given wide powers, including the creation of corporations and the power of expropriation with respect to substances, mines, deposits, claims and the like.

Just how far all the matters encompassed in the proposed bill are to be removed from the practical control of parliament will not be fully clear until we have an opportunity to see the bill. From the outline given to us, however, the bill can mean either very much or very little in this respect. From the resolution on the order paper several things seem evident. First, that the measure is to provide for a very extensive degree of public ownership, development and control. For example, we are asked to make provision for what is likely to be one of the greatest state-owned developments of our time. Second, that the object of the bill is either for purposes of offence or defence, offence for or defence of Canada in cooperation with our likely associates and allies. Whatever its merit—and it has merit—it is not a measure for preventing war. The minister is not claiming that, of course, but I am pointing out that whatever else it does, it is not a matter of war prevention.

In this connection let me say that the discovery of a method by which atomic power may be released and used for the benefit of mankind unfortunately coincided with the bitterest war in history. As a result the greatest of all potential blessings is now considered as a major threat to mankind. Were the world at peace, with an assurance of continuing peace, I should stand firmly for the immediate release of all governmental controls over the development of atomic energy and for the widest restoration of the liberty of scientists of all nations to exchange knowledge, a liberty which must be restored sooner or later if we are again to march forward on the road of progress. For the moment we can all understand that this is not practicable. Canada must cooperate with those nations of whose peaceful intentions we are convinced, in all necessary measures to control the

development and use of atomic energy. Certainly I support warmly the plan that the use of atomic energy for military purposes must be kept the sacred prerogative of the government, and not be permitted to be left in private hands. This involves the possibility that government monopoly in this field will be automatically extended to cover those possible uses of atomic energy which are not of a destructive but rather of a constructive nature. It is quite possible rigid governmental control of the military use of atomic energy may involve hampering limitations upon the development of these peaceful uses.

It is our intention to support the government's rigid control of atomic energy development for urgent reasons of national and international safety, not because we believe that the government should retain a perpetual monopoly in this most important field, if peace were assured to us. I think all will agree that we must look forward, and not backward. We must have confidence that lasting peace will eventually be established. But that time is not here yet. For that reason I agree that this particular subject is one which must remain under most rigid government control. Whether these bodies that the government proposes to be set up will be for the purpose of developing atomic energy or for the purpose of preventing its development for destructive use, or for both, has not been made clear to us at this stage of our proceedings.

So far as this resolution goes, it looks as if the government is planning to be ready for the eventuality of war, not for the prevention of war. The defence of Canada is a perfectly laudable purpose in itself. I would point out, however, that we have nothing before us to suggest that by enacting this measure into law we are solving or even coming within a measurable distance of solving the two great problems facing us, namely, (1), the development of atomic energy for economic use and benefit, and (2) the prevention of its use for war and devastation.

At this point some more general observations on the problem of the control of atomic energy I hope will be in order. There is a strong demand in this age to place in the hands of the government the manufacture of instruments that may be used for war. There are very few who will dispute that the manufacture of war instruments should be in the hands of the government. I agree that this is desirable if they are to continue to exist at all. But I am wondering if the dust and smoke of the bombs that landed on Hiroshima and Nagasaki are not clouding our thinking at this hour and making it impossible for us to appreciate the sweeping changes on the industrial front that are inherent in the fact of the atomic discovery.

The impending change in our economy may be more sweeping, in my opinion, than that following the industrial revolution. I wholly disagree with those who assert that we shall not see the application of atomic energy for practical purposes in our lifetime. It is the view of many that it will revolutionize science in the fight against disease, and revolutionize the means of supplying power to the enterprises of our already complex society. As it takes its place in competition with electricity and steam, many believe—and certainly I believe—that atomic energy will bring a transformation in our capital goods structure greater than that attending the industrial revolution of the eighteenth and early nineteenth centuries.

The difficulty is that while men and women are paralysed by the fear of the potential dangers of atomic energy, its development for peaceful purposes will be hampered. We all know that the great developments of the age of steam and of the age of electricity would not have been possible had industry been kept within the iron grip of government ownership and control. Furthermore I think the events of the last thirty years have proved that, whatever merits there are in government ownership and control, economic power held by governments tends to place in the hands of the few who form the governments not only the control of these government-owned enterprises, but the power of decisions on matters affecting whole populations. The few who are in government have the power to decide what is good for the many. But what is more important is that the threat of this dictatorial power becomes dangerous when left in a few hands. The concentration of economic power in the hands of a dictatorial government is much more likely to lead to war than if that power be widely diffused among the people as in a true democracy.

That is one of the major arguments for democracy in this age, namely, that the decision as to peace or war is left to democratic procedure. The danger of rushing unthinkingly into war is much less than where such decision rests in the hands of only a few.

There is no use in shutting our eyes to the dangers that lie about us. Much of Europe to-day is neither peaceful nor free; much of that continent is in the grip of a totalitarian power quite as thorough, and some consider quite as ruthless, as the power that we fought for five years to destroy. The business of making competition serve the purposes of

progress deserves a high priority in the governments of those countries that still adhere to the democratic process.

It will thus be seen that this generation in the democracies has a heavy responsibility. It faces a great challenge, one of the greatest of all time. Three facts stand out as never before:

1. The devastating potentialities of atomic energy have been demonstrated. They are in the minds of everyone and, therefore, need not be elaborated again here.

2. We have become the custodians of a new type of knowledge and of power that has more promise of good and greater of evil than any set of facts ever before placed at the disposition of mankind.

3. We have made great strides in the physical sciences, but we have lagged behind in social science, and particularly the science of nation states living together in peace. The great advances in the physical sciences have universalized our thinking, while our social thinking in many respects still conforms more to the organization of a local community .

Obviously, something new and vastly more of understanding must be brought into the relations between communities if the homicidal danger of the atomic weapon is to be averted. The science of living together has been outdistanced by our scientific capacities for penetrating the unknown, and for producing gadgets potentially more dangerous to a society of nation states than anything we have ever known before.

I stated on another occasion that we must begin to move out of a world of conflicting economic nationalisms and accept the world of interdependence that has become our heritage, and that there should be no delay in making a firm beginning in that direction. The overwhelming majority of mankind of every race and in every clime craves for permanent and lasting peace. The danger is that mere handfuls of men, here and there, may still plan for national or ideological expansion, even for war, using bogus revolutions as the stalking horses of their aggressive designs.

It is one thing to try to control atomic energy. But our main problem is to prevent war. If we cannot make reasonably sure that we can prevent war, we should of course take steps to make as certain as we can that this new instrument of death will not again be used in war. That means putting it into the hands of an international authority which will be given the power to issue a passport that will have to be accepted by every national state. All our vague talk of abridging sovereignty and limiting sovereignty is a mere patter of words. War must be averted. The atomic bomb we must find a way to debar or denature. It is not by abridging and restricting and hampering national development and growth that the goal of real peace is to be achieved; it is rather by clothing an international authority with such prestige and power that we can be assured in this parliament from year to year that there are not underground, clandestine factories stealthily preparing to obliterate large sections of the human race. Until we make a firm beginning in this direction, we are but fooling the people when we pretend that legislation such as this offers as security in this very insecure age.

Pass the bill, with such amendments as may be necessary, if any. But let us not stop there. Let us either banish war or let us take practical steps with other nations to prohibit the use of the atomic bomb, in the event that another cataclysm should visit itself upon mankind.

The discovery of practical methods of producing nuclear fission has presented the human race with its most supreme challenge. Can the world of politics and law reveal comparable inventiveness and skill so that the invention may be turned to good use? It is not alone a moral problem; it is a problem of world organization.

The minister in his remarks referred to the work of a board of consultants in our neighbour country to the south, the chairman of which is David E. Lilienthal. The report prepared for the United States government by this board of which Mr. Lilienthal is chairman happily does somewhat narrow down the dimensions of the problem. The report says, among others, these two things (1) that uranium is and is likely for a long time to remain the only raw material from which fissionable substances can be prepared—this simplifies the problem of control of original sources; (2) that U-235, the fissionable material could be so "denatured" as to make it unusable for atomic weapons and still remain perfectly serviceable for the "non-dangerous" uses of atomic energy. To remove the "denaturant" is possible, but only at the cost of large plants and the expenditure of much time and money.

This suggests that the way to effective control lies not in what is ordinarily thought of as an international agreement in any wide sense but in the specific proposal to put the material at its source into the hands of a world monopoly. Such a world monopoly would of course be under the control of the united nations. Such a monopoly could mine uranium and experiment with it in its denatured state. National states could acquire

denatured material only. The problem of inspection would thus be greatly simplified. The monopoly would be a world authority; it would be a supra-national authority.

As I said at the beginning Mr. Speaker, so far as this measure aims at controlling this new source of energy at encouraging research in this new and vastly important field, and so far as it aims to make it available for purposes of peace and to prevent its use in time of war, it will have our support. We ask only for more elaboration of two sections of the resolution; namely, the one having to do with the appointment of government corporations to carry out some of these activities, and the other having to do with the confiscation of property.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I regard the resolution now before the house as probably the most important resolution that has ever appeared on the order paper. I do not think anyone will dispute that when its implications are understood. Last week a resolution was moved by the Minister of Reconstruction and Supply (Mr. Howe) dealing with the establishment of a more comprehensive research organization. It seems to me that the two are correlated.

So far in the discussions in this house, and indeed across the country, the aspect of atomic energy that has been most emphasized is the terror of the atomic bomb, and I think it is well that the average citizen in every country should understand what a revolution was made in military tactics when the atomic bombs fell on Hiroshima and Nagasaki. But it seems to me that only the scientists have yet come to a realization of the significance of the discovery of atomic power and its potentialities for industrial uses.

I had the privilege last December of attending a meeting in New York organized by the New York *Nation* and attended by many of the scientists who had taken part in the Manhattan project, which was very largely responsible for the evolution of the atomic bomb. I listened there to a statement from Professor Henry DeWolf Smyth, who, as many hon. members will recall, wrote the report on the atomic bomb experiment in the New Mexico desert for the government of the United States. On the very day we were meeting in New York, on December 1, he had been appointed adviser on atomic energy to the President of the United States. I shall refer, a little later, to something he said. But one of the speeches which impressed me most was that of Doctor Leo Szilard; I have a report of it in my hand at the moment, and I shall quote a few sentences. As the minister will know, Doctor Szilard was one of the atomic bomb scientists who formerly worked in the metallurgical laboratory of the University of Chicago. In opening his remarks he made this statement, which seared itself on my memory:

> On the 3rd day of March, 1939, Doctor Walter Zinn and I performed a simple experiment on the seventh floor of the Pupin building at Columbia.
>
> After two days of preparations, everything was ready and all we had to do was to turn a switch, lean back and watch the screen of a television tube.
>
> If flashes of light appeared on the screen, that would mean that neutrons were emitted in the fission process of uranium, and this in turn would mean that the large scale liberation of atomic energy was just around the corner.
>
> We turned the switch and we saw the flashes.
>
> We watched them for a little while and then we switched everything off and went home.
>
> That night there was very little doubt in my mind the world was headed for grief.
>
> This crucial phenomenon was independently discovered just about the same time by Anderson and Fermi, and by Halban, Joliot and Kovarski.
>
> They used different methods but arrived at the same conclusions, and I have, therefore, good hopes that my own plea of not guilty will receive merciful consideration in the heavenly court of justice.

That seemed to be pretty much the opinion of the men who had been engaged in the development of atomic energy and the atomic bomb. But it was not only the development of atomic energy and of the atomic bomb which seemed to worry them; it was the tremendous effect which the use of atomic power would have on the economy of the whole world. They were afraid that man had not reached the stage of development at which it would be possible for him to create the abundance flowing from the use of atomic energy, and to use that abundance for the good of all mankind.

The leader of the opposition (Mr. Bracken) remarked this afternoon that perhaps this was a greater discovery than that which inaugurated the industrial revolution of about one hundred and seventy years ago—if one may date it from any particular period. I think that is true, and I would go farther and say that I agree with the scientists who were present at the conference of which I have spoken and whose opinion was that it was the greatest discovery since man discovered the use of fire many thousands of years ago. It foreshadows, in their opinion and in mine, such a revolution in man's way of life as is comparable only with the revolution resulting from primitive man's discovery of the use of fire. Beside it, the discoveries to which the leader of the opposition referred this afternoon in a general way—the discoveries of coking coal, the power of steam, the power loom,

Faraday's discoveries with respect to electricity, and the other discoveries linked with the industrial revolution—all these pale into insignificance.

It seems to me that the purpose of this resolution and our object as the parliament of this country should be to perform the task which will enable science to inaugurate a peaceful and prosperous society based upon the widespread use of this energy. As the leader of the opposition said, and I heartily concur, social science has lagged far behind physical science, and the social scientists have lagged behind the physical scientists; the physical scientists are to-day exercising greater imagination with respect to their discoveries than politicians and social scientists are exercising, and because we as politicians and social scientists have failed to relate our thinking to the discoveries of physical science, we are apt to get into a tremendous mess in the not far distant future.

I listened with a great deal of interest to what the leader of the opposition said. I agree with him that we must have international control of this form of energy. I agree with him that within our own boundaries we must have public control of this energy. But I do not agree with him that this is necessary only in so far as it relates to the making of war. I disagree wholly with that concept. I say that it must relate also to all the economic developments of peace-time; because the ownership and control of atomic energy will set the pattern of living for years to come, just as the ownership and control of the new machines at the time of the industrial revolution set the pattern of living for our own time and the period which immediately preceded it.

I know history. I know British history, perhaps, particularly well. It was a subject I taught for a good many years, and in which I specialized when I was a student. When one reads of the misery and the poverty which came upon the people of the British isles and the rest of the world following the discovery of the physical means which brought about the industrial revolution, one makes up one's mind that never again must such consequences occur in the history of any nation. The alienation of the new discoveries, the placing of them in the hands of a few people who would manipulate them for their own use, in any country, would so undermine the economy of that country that it might enslave the many to the few. Moreover, the selfish development of atomic energy for industrial purposes in any one country would upset the economy of the whole world, and that must not be permitted to happen in 1946. It is a discovery which will set the pattern of life for years to come.

I listened to the leader of the opposition when he talked of the danger of a government exercising power over this atomic energy. He called that a dictatorship. Am I to understand that the leader of the opposition considers that in our democratic countries governments are dictatorships? Do our governments not rest in the final analysis upon the will of the people? Are they not, in theory at least, expressing the will of the people when they bring before parliament measures upon which, as representing the people of Canada, it must decide? I know of no other form of democracy as efficient and effective as the parliamentary democracies of the British commonwealth; and to suggest that in a resolution of this description, to be followed by a bill setting up corporations which will be public corporations, we are departing from democratic procedures seems to me to reveal an entire lack of knowledge of what democratic government really is. To do the opposite, to place this in the hands of various corporations, such as the Imperial Oil company, the Aluminum Company of Canada, International Nickel, or a number of other monopolies which I could name, would destroy democracy in Canada and tend to do so throughout the world.

I congratulate the minister upon this resolution. I congratulate the government upon it. I think it shows a certain amount of imagination which should demand the respect and support of every right-thinking person. The carrying into effect of the ideas which lie behind the resolution, if I apprehend them correctly, means that an attempt at least will be made to see to it that we shall be able to introduce this new form of energy and power without condemning thousands of our people to destitution, poverty and want, as the industrial revolution, over a century and a half ago, condemned hundreds of thousands in the country in which I was born. I have seen the long-time effect of it, and so have some of my hon. friends in this house. I have seen the stunted masses in the northern industrial areas, the stunted masses in the Manchester slums, in the Yorkshire mills and in the London slums.

Mr. MACKENZIE: And in Glasgow too.

Mr. COLDWELL: Yes. I have seen, written on their bodies, the evil results of the industrial revolution. Therefore we dare not permit that kind of thing to happen again in the history of any country. The use of atomic energy, in our opinion, must be to benefit

society and not to benefit a few people in society. Its misuse would upset the economy of the world and cause untold misery, but its use for the benefit of mankind would inaugurate a new era.

Even before the war, educationists were concerned with the problem of leisure. I wonder if we realize to-day just what the problem of leisure will be when this new source of energy is developed. I agree with the leader of the opposition to this extent, that the development of atomic energy is at hand. I do not know when it will be used, but I heard certain statements made at the conference which I attended. I heard it said that in all probability within the space of five years a city the size of Seattle—that was the city named—might be heated by atomic energy. I heard it said that those who were expecting atomic energy to be used for the operation of automobiles, for example, were going to be disappointed for some time to come, because it was highly probable that what I might call the machine or the apparatus which would be necessary to utilize that atomic energy for transportation would be so large as to require perhaps a ship to carry it, and therefore the first vehicle that would utilize atomic energy might be a ship. It was said however that the time would come when the ingenuity of man would reduce the apparatus to the size where it could be used for all means of transportation, though that might be fifteen, or twenty, or twenty-five years away. But not one scientist there believed that a period of more than a quarter of a century would pass before atomic energy would be generally used throughout the world.

That is why I say that the problem of leisure forces itself upon our attention. Scientists say that a pound of uranium, the cost of which was put in December at $3, could deliver as much energy as 1,000 tons of coal as that fuel is at present utilized. If that is so, one can understand at once what it might mean in the coal industry, in the mining industry, what it might mean in transportation. For something like forty per cent of our transportation system is engaged in the movement of such heavy freight as fuel oils, coal and so on. If that is true, one can see what effect it will have on the entire transportation system and on the movement of heavy freight.

If we do not seek to control this energy and to plan its use to inaugurate the atomic age, we may be faced not with leisure but with technological unemployment. Of course the only difference between leisure and unemployment is that leisure is enjoyable unemployment while unemployment is unenjoyable leisure. That is what it amounts to, and so we dare not leave the development of this energy in private hands. From its very nature it is imperative that it be publicly owned and controlled as a public enterprise.

I remember very well some of the speeches of the former leader of the opposition, the Right Hon. R. B. Bennett. I remember sitting here and hearing him thunder across this chamber, as was his wont, with regard to radio and the necessity for bringing that great utility under public ownership and control, and I remember too his saying to the members of the house at that time: "Who is there among us who would repeat the mistakes of the past? Who is there, among us who, if he could, would not have preserved some of the great resources of the country for the good of the nation instead of for private exploitation?"

The former leader of the opposition was a very interesting man, and in some respects a far-sighted statesman who saw some of the implications of these great new scientific discoveries, such as radio, television and so on; and were he here now I am perfectly certain he would take the same view of atomic energy.

Of course I do not follow all the fanciful things that we are told. We are told, for instance, that one day atomic energy may enable men to air-condition tropical cities and turn the polar regions into habitable places. I do not know whether that is so; but if it is, it is a long way off. There are however some developments that are very close at hand, and these are the things we have to safeguard the country against if they are evil or make available to our people if they are good, and make them available in our day. Scientists are certain that what is now within sight is something which, uncontrolled or left in private hands, will make a shattering impact on present business, present industrialism and present development, internationally as well as nationally.

Scientists, as I said at the very outset, are trying to emphasize the benefits that may accrue from atomic fission. They believe that the peaceful development of energy will destroy an age-old conflict, the struggle for room in which to live in this world, which struggle is so frequently at the root of war, the struggle for elbow room. This energy, they believe, if properly used will enable mankind to produce such an abundance of the necessities of life that men will not have to struggle for room in which to live but will be enabled to enjoy the things that are made possible. Consequently, as I said a few minutes ago, the acquisition of leisure should be regarded as the means whereby we might

enjoy a higher cultural standard than the world has ever known. And all this, we as average people have perhaps yet to learn.

The leader of the opposition closed his remarks with some reference to the terrors of atomic bombing. I was not here in December when the question was discussed; I was unavoidably absent. I have in my hand however a copy of an address which Professor DeWolf Smyth prepared for delivery before the conference to which I have referred. When we talk, as the leader of the opposition did, about using this energy for offence and defence, it might be well to hear what Professor DeWolf Smyth said:

> I do not at present see any likelihood of any adequate military defence against this new form of weapon.

He went on to say that if various devices that had been suggested were tried out they could not possibly be effective, and again I am using his own words. He says:

> The nature of the atomic bomb and the speed of its approach make it highly questionable that any anti-aircraft or other defence could be developed against it which will be one hundred per cent effective. Some atomic bombs would inevitably get through.

Doctor Ivan Getting, who is regarded as one of the great radar experts of the world, and who went to London to assist in devising ways and means of meeting the flying bomb and the V-2's in the autumn of 1944, gave it as his opinion that there was no effective defence that could be foreseen against this new form of weapons. Then Professor DeWolf Smyth said also:

> Since rocket bombs might be sent in a few moments from any spot on earth to any other spot, it could well prove impossible, in the event of an attack by atomic bombs, to know from which country the attack had come.

He went on to say:

> There is no scientific reason why atomic bombs cannot be shipped in trunks or boxes in peace time to key industrial and population centres and detonated at the moment desired by remote control wireless or other means.

Six or seven thousand miles away in a room a man with a set of buttons before him, with an instrument attuned to the bombs which had been placed in the industrial centres of the United States or of some other great country, we shall say Russia, if you like, could, by pressing the button, detonate bombs that had been planted weeks and months before, without danger of deterioration, and incidentally destroying, as one scientist said, sixteen million people in a single night.

These are the dread uses to which this new energy could be put. By the same token there are constructive uses to which it could be put. I quite agree with the leader of the opposition and the Minister of Reconstruction and Supply, and I believe with all parties in the house, that the scientific development of this new discovery must be used internationally; that the scientists of the world must be encouraged to exchange information. Let us bear this in mind; there can be no blackout of science. The Germans tried it, but did not succeed. We cannot blackout science. If we cannot black it out, then the thing to do is to have an organization through which scientific knowledge can be disseminated. This means an international organization. The proper organization to set it up is, of course, the united nations organization. I do not believe that the proper organization within the united nations organization is the security council; I believe it is the social and economic council, because the emphasis has been placed in the wrong place. It has been placed upon the military uses of this new energy. I hope the great and beneficial consequences that will be felt by the world will be in the industrial field.

I do not wish to prolong the discussion. I wanted to express these views because my colleagues and I are supporting the resolution. We are supporting it because we believe the fundamental principles of it are sound. Of the details we may have something to say, and we may disagree with some of them, but fundamentally the resolution is sound.

At the beginning I said that this resolution is perhaps in some respects the most important that has ever been introduced into this house. The minister knows that a similar bill has been discussed in Great Britain, and that a bill very like the terms of this resolution has been introduced into the United States congress and is now being studied by a committee there. Farsighted men everywhere are aware of the uses to which this new discovery can be put; and whether in peace or in war the public of this country through its democratically elected government must exercise complete control of this great new source of energy. We dare not allow it to get into the hands of a few people who will use it for their own purposes and not for the common good.

We shall welcome the bill when it comes; we shall look into its details, and if it follows the principles of this resolution we shall support it.

Mr. SOLON E. LOW (Peace River): I shall not detain the house longer than a few minutes, because most of the important things which should be said have been said here this afternoon. First, let me express to the minister my feeling that this is a timely resolution; that I appreciate his bringing it in

at this time and giving us an opportunity to discuss and consider its various provisions in preparation for the bill which will be introduced shortly.

Like the two hon. gentlemen who have already spoken, I must say that I believe it is one of the most important measures to be brought before the house since I came to Ottawa and I hope that it will receive the most earnest consideration of all hon. members. There are many things in what the leader of the opposition (Mr. Bracken) said with which I agree, and some of necessity with which I could not agree. The same is also true of the speech of the leader of the C.C.F. party (Mr. Coldwell).

I just wish to say one or two things which have occurred to me in connection with this resolution, and which I should like to make clear. In the first place, I believe that the discovery of atomic energy has brought us to the verge of the golden age of the world. I am just wondering whether man's stupidity will keep us from passing over the threshold into the realization of that golden age. Whether or not our stupidity will prevent us will depend on how bodies of this kind react to suggestions for development and control of the energy in the best interests of the people of the world.

I should like to emphasize that I am anxious to see the best possible use made of atomic energy in the interest of peace, prosperity, health and happiness of the people of the world. That is fundamental. I believe that every thinking man must take the same stand.

In the second place, I believe that the development of atomic energy is fraught with such grave problems and dangers for the world that it is necessary for us to place the control of its development, at least for the time being, in the hands of the government, and I support that wholeheartedly. So far as the application of developed atomic energy to economic uses is concerned, I am not yet just sure where that control should best be vested. I am quite content to study that question more thoroughly and to see what the future brings. But there is one thing I am certain of, namely, that Canadians, in common with the nationals of every other nation, will have to settle down to a thorough and complete study of the social sciences in an effort to find out how we can distribute the benefits that derive from such great discoveries to all the people. All the people should share in the benefits that derive. To see that they do so we must make absolutely certain that we have a real democracy.

This afternoon, Mr. Speaker, we have heard much about a democratically elected government. I believe that we have had a form of democracy, certainly; but I cannot believe that we have really had a democracy in Canada. The reason is not hard to see. I would not worry very much about placing the control of atomic energy, for destructive purposes as well as for economic purposes, in the hands of this government, provided that I could be certain that this government was democratically elected and controlled. The only reason I feel diffident about placing such control in the hands of a central government is that under the system we call democracy the people have not yet been able to get the results they wanted from the management of their affairs. They have got just the opposite from what they wanted. Witness the bread lines; witness business recessions; witness depressions and strikes. These are anything but what the people have wanted. If there had been a real democracy; if the people had effective control of their government as the leader of the C.C.F. party suggested they have through the mechanism of this house, those things never would have taken place. I say now, sir, not only must we have a reorganization of our whole economic system in this country in order to give the people the results they want, but we must see to it that our political reorganization actually reflects the will of the people.

I am going to make this suggestion. I would not be a bit afraid of placing the control of atomic energy in the hands of the minister's commission, both for destructive purposes and for economic purposes, and its development along those lines, provided that the people in the constituencies of this country actually paid their members of parliament and actually had control over those members so that when they did not do the will of the people they could kick them in the place which was built into man to be kicked, and put others in their places. We need political reform that will give us real democracy, which we do not have under what is known as the political party machine rule which we have had in this country for so many years. If we did rehabilitate democracy; if we put new blood into it so that the people actually did control their government, then there would be the least possible danger, even in government development, control and application of the economic phases of atomic energy.

For just a moment let me turn to the social aspects of this whole matter. I do not believe the leader of the C.C.F. party meant exactly what he said about the industrial revolution. I do not believe he meant that the industrial revolution actually caused the stunted masses.

I believe he referred to the results of the industrial revolution in displacing men with machines and perhaps another result which followed, in that labourers were exploited by the centralization of capital. I can quite understand that, but surely the industrial revolution in itself was of inestimable benefit to mankind, in essence. The whole difficulty was that we did not have sense enough properly to apply it.

Mr. COLDWELL: That is right.

Mr. LOW: So it might be with atomic energy. I believe that this is one of the greatest discoveries of all time. I believe that through its proper application for the benefit of the people of the world men can be progressively released from the drudgery of the productive effort. I believe that if we organize properly, and with vision, it will be possible for us to allocate and distribute equitably a progressively greater amount of leisure time to all Canadians. But we should have begun years ago to prepare our people for the proper use of that leisure time. In itself such leisure can be a danger to humanity if it is not used as it should be. We should have been educating our people in the proper use of that time for the benefit of their fellowmen. The greatest play ever written, the greatest painting ever painted, the finest music ever composed, all were produced by people in their leisure time. That is the sort of thing we want to aim at in future; to give our people sufficient leisure time so that they may turn to the arts and sciences and the development of cultures in order to benefit mankind generally.

We should now adopt a sensible attitude toward the finding of means to distribute the abundance which the application of atomic energy will ensure; and I do not believe for one moment that this is an impossible thing to do. I think we are on the verge of discovering it; but let me tell you, Mr. Speaker, that when we do discover it I believe that it will be the seventh great discovery of the world: how to distribute equitably among the people the abundance which can be produced through the application of forces now at our disposal, of which atomic energy is one. I hope, that as we set up the commission for the development and control of atomic energy we may also set up commissions to study the needs of the people and the means of getting into their hands the things they will need, out of the abundance we produce. As we stand on the threshold of this golden age I believe that we should give very careful attention to that phase of the new life which is bound to come, if we ever survive some of the difficulties which have been pictured here in connection with the application of atomic energy.

In conclusion, let me say that I am not one of those who see darkly. I am not looking into the mud with regard to atomic energy. I would rather see stars, and there are stars to be seen. There is no question about that. I would far rather leave with hon. members the thought that, as men think, so will they become. If we think constantly in terms of war and destruction, as a mass of people, then that is exactly the situation that will be brought about. If we think in terms of peace, prosperity and happiness, than we are seeing stars; we are raising our eyes to the skies. Then men will go on to greater achievements, to higher objectives, infusing humanitarian aspects into all the things they do. I plead with hon. members to give careful consideration to all sides of this question of the development, control and application of atomic energy so that the people of this land and of the world may be happy, peaceful and prosperous.

Mr. J. H. BLACKMORE (Lethbridge): Just before we go on to the next stage, Mr. Speaker, may I make two or three observations which have come to my mind in listening to the various hon. members who have taken part in this debate. I fear there is a great tendency to refuse to face the realities. We are in the gravest kind of danger if we make a serious mistake. I am not referring particularly to the remarks of the minister. I thought his dissertation was scientifically prepared, as we would expect it to be, and sane, not committing him to any particular policy at all. But when we begin listening to the leader of the Progressive Conservative party (Mr. Bracken) and the leader of the C.C.F. party (Mr. Coldwell) we begin listening to doctrines which might be fraught with grave danger to the world.

May I say something about one or two matters which were talked about. It is true, as the leader of the opposition has said, that the science of living together has lagged far behind. The important thing for us to-day is to make an effort to bring our social sciences up to date. Let us develop our science of living together.

But one of the amazing things to me is that we never hear a single, solitary suggestion from the leader of the official opposition or from any of his party as to how that is to be done—no, not a single suggestion. Thus far also I have not heard one from any hon. member on the government side of the house as to how that is to be done. The assumption seems to

be that all one has to do is to take the power away from Canada, and from each of the national governments corresponding to that of Canada, put it into the hands of a big enough board, one that is far enough away from the control of the people, and automatically the problem will solve itself.

That is not the way things have happened in this world thus far. It is true that we must learn something about the social sciences, the science of living together. The alarming thing is that all over the world nothing is being said about that. In the spring of 1945, when we were discussing the San Francisco conference, I alone among all the members of the house rose in my place and pointed out the fact that in all the discussions leading up to the San Francisco conference there was not a single hint that any of the men discussing the problem had any idea of what on earth the fundamental cause of war was, or had any suggestion whatsoever for the removal of the cause of war. Yet they assumed that by coming together at San Francisco and building up a united nations organization, consisting of a group of men who did not know a thing about how to distribute goods in their own countries, they would be able to solve the problems of the world.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member but, as he knows, we have before us a resolution, and we should discuss its subject matter. That resolution states:

> That it is expedient to bring in a measure to make provision for public control and supervision of the development, application and use of atomic energy, and in connection therewith to provide for the incorporation of the atomic energy control board.

There are further provisions in the resolution. I must ask the hon. member to discuss the principle of the resolution now before the house.

Mr. BLACKMORE: That is exactly what I shall endeavour to do. The advisability of having government control of atomic energy was discussed by both the leader of the opposition and the leader of the C.C.F. from this point of view, that only the government could be entrusted with the control of power such as that of atomic energy, because if any other body had that control it would use it for private purposes, and consequently cause disruption in the world.

It seems to me I would be perfectly in order to express some observations contrary to that idea; and that is what I propose to do. Great numbers of machines have never been allowed to come on the market, I understand, because it is feared that if they were permitted to enter the market they would displace so many men they would completely disrupt the economy of the world. If atomic energy were to come into common use industrially the assumption seems to be that the same sort of thing would happen.

Mr. COLDWELL: If misused.

Mr. BLACKMORE: Yes. And the assumption is that if the government controls it, the use will automatically be a proper one.

Mr. COLDWELL: It is less likely to misuse it.

Mr. BLACKMORE: That is the very proposition I challenge. My hon. friend says that the government would be less likely to misuse it, or to use it unwisely. Let us examine that. However, I believe I shall return to that subject after I have completed the other observations I wish to make.

It is suggested that we place atomic energy power in the hands of a world monopoly. May I ask this: Who is to control the world monopoly which, it is proposed, should have control of atomic energy? This does not bear particularly on what was said by the minister, but it is a matter which was discussed freely by the speakers representing the Progressive Conservative party and the C.C.F.

Who is to control that body? The leader of the Social Credit party (Mr. Low) asked that question. If the people cannot control that body by democratic means, then who is to control it? That is one of the most serious questions confronting our age. Once more we assume that somehow or another, by some sort of fatuous reasoning, all we need to do is to get control in a body situated far enough away from us, and that body will use it all right. That is just so unreasonable and so completely out of harmony with any human experience as to impress the ordinary man as being inconceivably absurd.

What will be the policy of such an international body? Will it know how to distribute goods? Will it use its knowledge, provided that it should have any knowledge in the distribution of goods? Will it endeavour to distribute by trade? Will it distribute by free trade or by unrestricted international trade? If it endeavours to use either of those devices, then tell us how it will overcome the disadvantage which arises from having industrial power concentrated.

In Canada, for example, the industrial power of this country is concentrated in two provinces, which run Canada. Those two provinces do just that. They drag the other seven provinces helplessly behind them. If the whole world is put into an organization similar to the political organization of Canada,

who will run the whole world organization? It will be the two or three nations which have the great concentration of industrial power. Surely that must be obvious. I intend to discuss that matter at greater length by and by, when it will be more in order to do so. But I am just warning members who are talking recklessly in terms such as these. They know not what they do.

Mr. COLDWELL: Will the hon. member give us an alternative for the united nations organization?

Mr. BLACKMORE: I will give an alternative, just as soon as it is in order to do so. It is not in order at the present time. However, I will say, since the hon. member has raised the question, that social credit is the alternative. I know the hon. member will not accept that, but the more he comes to know about social credit, the more he will realize that it is the answer.

Mr. COLDWELL: Thank you.

Mr. BLACKMORE: There is no doubt about that. That seems to be absurd to people who do not know; but it is not absurd to those who understand it.

An hon. MEMBER: Who understands it?

Mr. BLACKMORE: I understand it, for one.

An hon. MEMBER: Anybody else.

Mr. JOHNSTON: Don't you? Come on over, and I will teach you, when I have time.

Mr. BLACKMORE: This last thing I would say for the benefit of the hon. member for Rosetown-Biggar: His assumption is that if government owns industry it will solve all problems.

Mr. COLDWELL: No, that is not his assumption, at all.

Mr. BLACKMORE: That is all we hear, from what is being said.

An hon. MEMBER: The C.C.F. is the government.

Mr. BLACKMORE: Oh, it would not matter; if the Progressive Conservative party were in charge of Canada they would be just as socialistic as the C.C.F.

Mr. MACKENZIE: Much worse.

Mr. BLACKMORE: No doubt about it. They would be advocating measures of government ownership and control, just as the present government is doing, exactly as the present Liberal government are to-day simply rushing into socialism. Measure after measure after measure, week after week, they are going right, straight into socialism; there is no doubt about it.

I am going to ask one question: If monetary reform were essential to a solution and we had an international organization controlling atomic energy and industry, such organization consisting of men of the mentality of the Minister of Finance (Mr. Ilsley), the Minister of Labour (Mr. Mitchell) and the Minister of National Health and Welfare (Mr. Claxton), as manifested by them within the last two or three months, I ask the house if there would be any chance in the wide world for solution. They would absolutely refuse to accept any measure that would solve the problem and would just let things drift until we had a world revolution.

Mr. MACKENZIE: You are a pessimist.

Mr. BLACKMORE: Not at all. Just a realist. Mr. Speaker, having given these few words of caution, I discontinue until it is more in order to say something further on this subject.

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

Mr. BRACKEN: Before the resolution is passed may I ask the minister to enlarge upon three aspects of this matter? He has referred to the importance of international control of atomic energy, but I find nothing in the resolution dealing with that. Perhaps the minister would explain how he expects that to be brought about.

Would he also give us some idea of the crown corporations that it will be necessary or advisable to set up under this proposal.

Thirdly, what concerns does he expect it may be necessary to confiscate?

From my reading of the resolution these are three things upon which I would ask the minister to enlarge.

Mr. HOWE: The measure does not primarily concern itself with the international control of atomic energy. That is a matter with which an international forum is dealing. Canada has its representative on the atomic energy commission of the united nations. The commission includes representatives of the great powers and certain other powers. Canada was given a special place because of its contribution to and interest in this particular problem; it was made a permanent member of the commission. Canada is represented on the commission by General McNaughton, who is surrounded by a panel of those best able to offer advice on that problem to our representative.

Rather the purpose of this measure is to keep the situation within Canada in such a position that the recommendations and the decisions of the international commission can be carried out in so far as Canada is concerned. We are a source of raw material, certainly the second most important in the world, and the source of raw material will be a matter of great international consequence. Therefore it is the intention to keep strict control over raw material that is used for atomic fission.

Mr. BRACKEN: What country is the largest source of the raw material?

Mr. HOWE: The Belgian Congo is the largest source.

Second, we have the industrial know-how. This at present is confined to two countries, the United States and ourselves. The know-how is really more valuable than the science of producing the atomic energy.

Mr. GREEN: Does the United Kingdom not have that knowledge?

Mr. HOWE: While the United Kingdom has not as yet built a plant, I have reason to believe that that country has the know-how that will enable it to do so.

Then we are one of the two countries which have a plant that produces the final product from which atomic energy is derived. Therefore it is important that we control not only the raw materials, but, in addition, the working processes and the finished product.

One of the difficulties concerning this product is that the material which will be used for peaceful purposes is the same material which can be used for warlike purposes. If anyone had three pounds of the material for any peaceful purpose, from the same three pounds of material a bomb could be made which would destroy all life within the city limits of Ottawa. Therefore it is not a material which can be used promiscuously. Its use for peaceful purposes must be carefully guarded at all stages, so that no one can accumulate a quantity which could be used for destructive or anti-social purposes.

That, I think, answers the first question asked by my hon. friend the leader of the opposition as to the relationship between this measure and international control. This measure simply controls the domestic scene, so that when decisions are taken in the international field Canada can fit in with those decisions.

Mr. BRACKEN: Will this atomic energy control board itself have direct association with the international organization or will it act through the government of Canada?

[Mr. Howe.]

Mr. HOWE: The board acts through the government. It is proposed at the moment to make our representative on the international commission a member of this board, so that he may be in close touch with the domestic situation. This is a board to control the domestic situation and it has no direct part in the international scene.

Next my hon. friend asked about crown companies. Here again the power is permissive. One operation associated with atomic energy is at present controlled by a crown corporation, Eldorado Mining and Refining. There are two opinions as to the direction of Eldorado. One is that it should be under the national research council, and the other is that it should be under the board referred to in this measure we are now discussing. It will depend upon the view of the board when it is appointed whether it should be an operating board or simply a policy board. The board will be closely allied with the national research council in any event, and it may be the decision will be that the national research council shall do the actual operating or it may be that the board itself will be the operating body. If the board is the operating body, then in my opinion Eldorado should be placed under it. I am also rather of the opinion that Chalk river itself should be operated as a crown company, for undoubtedly, in due course, it will be buying and selling materials as well as conducting research. We are simply taking permission in the bill so that if a crown company turns out to be desirable it can be created by the board.

The third question was, what properties—

Mr. BRACKEN: May I ask one question before the minister passes on?

Mr. HOWE: Certainly.

Mr. BRACKEN: He says he anticipates at the moment two crown companies, one having to do with the Eldorado Mining company and the other with the Chalk river development. He is asking for permission here to set up any corporations he chooses?

Mr. HOWE: That is right.

Mr. BRACKEN: Which may be done by the governor in council?

Mr. HOWE: That is right.

Mr. REID: Will any Canadians participate with United States representatives in the experiment which will take place in July?

Mr. HOWE: Yes; provision has been made for six representatives to be there. There will be representatives of the navy and the air force and, I believe, two civilians.

Mr. LOW: In connection with the expropriatory powers of the board—

Mr. BRACKEN: Before the leader of the Social Credit party proceeds, the minister, I think, had one other question he was willing to answer.

Mr. HOWE: Yes. The leader of the opposition asked what properties the government intends to expropriate. As far as we know, the government now owns all the sources of uranium in Canada. It is carrying on extensive exploration in the Great Bear area to prove up additional properties. If valuable discoveries are made privately in other parts of Canada this bill permits the government to acquire those properties, by expropriation proceedings, if necessary; and if the properties are not acquired the uranium itself, or the uranium oxide from these properties, would undoubtedly be acquired by the government. It is not contemplated, until the matter is very much farther advanced that uranium would ever be permitted to be sold to private purchasers.

Mr. BRACKEN: The resolution makes clear the answer which the minister is now giving; it also includes these words, "expropriation (of) any works or property for production or preparation for production of, or for research or investigation." Would the minister elaborate on what that might contemplate—expropriation of works or property? That is in addition to mines and so on?

Mr. HOWE: There are no "works or property" at the moment that are not in the possession of the government. The government has works and property; for example, it has a refinery at Port Hope, it has also certain facilities for the further processing of radium for commercial uses, such as luminous paint, and medical purposes. The clause in the bill simply gives the government power, in the event that works of that kind are established privately, to acquire them by expropriation. But at the moment I can say there are no properties in Canada known to the government which it is desired to acquire under this provision.

Mr. LOW: The minister has partly answered the question I started to ask, but there is this second part. It is not inconceivable that deposits of uranium might be found in certain provinces. In case, we may suppose, there is a discovery in Ontario, would the minister add, say the minister of mines of the Ontario government, to the board? I can see that some difficulty might arise when the senior government attempted to expropriate or to obtain those properties. I can understand, too, that some force might be given to the peaceful expropriation or peaceful transfer if the province were recognized as a part of the board itself.

Mr. HOWE: Fortunately the problem does not arise at the moment. It happens that all the known deposits of uranium are in the northwest territories. Should uranium be discovered in one of the provinces—and I sincerely hope it will, though I have my doubts, from what we know of the geology—there will be a problem as between the board and the province to determine the best manner of dealing with the provincial rights to the mineral. I think my hon. friend will agree that there is an overriding national interest in the product, which should make that fairly simple when the time comes.

Mr. LOW: Yes. The suggestion I make would perhaps help in that direction.

Mr. HOWE: That might be helpful.

Mr. GREEN: Will the minister explain what control parliament will have over the atomic energy control board? I understood him to say in his opening statement that there would be reports from the board to what is known as the committee of the privy council on scientific and industrial research; apparently there will be no direct reports to parliament. Would the minister explain in some detail what control parliament will have over the board and its undertakings?

Mr. HOWE: The bill provides that the board will operate by directives, that all directives will be published and tabled in parliament by the chairman of the committee of the privy council to which my hon. friend referred. As set out in the bill, it will be the duty of the chairman of the privy council committee to bring to the attention of parliament any regulations or orders issued by the board and to give parliament any information acquired by the board that it would be in the public interest to publicize.

Mr. GREEN: Will there be any way of interrogating the chairman of the control board? Will there, for example, be any provision for having him appear before a committee of the house, or will the control be merely indirect through one cabinet minister, probably the Minister of Reconstruction?

Mr. HOWE: Well, Mr. Chairman, any committee of the house can summon any public servant. I suppose that if any committee of the house wishes to interrogate the chairman of this board it has only to call him. The board must report to a member of the government; all boards do; and the information is conveyed from the board to parliament by a member of the government. That would be the case with this board.

Mr. GREEN: What control would there be over the crown corporations set up under the control board?

Mr. HOWE: I assure my hon. friend that, in its early stage, Chalk River will not operate very long without a preliminary appropriation, which will be voted by parliament. Thus there will be the usual control of the expenditure, the usual opportunity to obtain information about the operations of the project.

Mr. GREEN: What type of board is to be set up? Could the minister give us any idea of the size of the board and the type of men or women who will be appointed to it?

Mr. HOWE: The government has in mind a board of five members. The only ex-officio member is the chairman of the national research council. I have suggested that Canada's representative on the international commission would be a probable appointment. The other three are not definitely chosen; but I would say that certainly one should be from the universities, and certainly there should be on the board a good businessman, familiar with corporate practice.

Mr. GREEN: Would there be no representative from the defence forces?

Mr. HOWE: Canada is not concerned with the use of atomic energy for making weapons. The development of defence weapons is closely interlocked with the national research council, and I think the contact there would be sufficient. But it is not the intention, as far as Canada is concerned, to develop atomic energy for the manufacture of weapons. Therefore I doubt whether a member of the defence forces would logically be a member of the board. However, that has not been finally determined.

Mr. GREEN: What is the difference between the plans of the Canadian government and those of the United States and United Kingdom governments with regard to these atomic boards? Are they all following the same plan? If not, what is the difference?

Mr. HOWE: As I recall the bill that has had its first reading in the United Kingdom, the board is somewhat similar in character to that of Canada, in composition and in objectives. I have the bill before me but I am not as familiar as I should be with its objectives. Perhaps I can give a clearer explanation of the composition and objectives, so far as the United Kingdom is concerned, when the bill is before us. The McMahon bill in the United States is only in the committee stage. It has not been introduced into the house of representatives. It provides for a civilian board somewhat similar to the civilian control in Canada. Up to the present the development of atomic energy in the United States has been under military control throughout. It has been a military project for reasons which my hon. friend will understand. A great deal of attention is being devoted to the peace-time development of atomic energy in the United States, but actual control has not moved from military to civilian. Here in Canada, it was recognized as unlikely that Canada would manufacture material which would have any use in war, and therefore our development has been planned from its inception for peaceful use.

Mr. MacINNIS: Will the minister make a little clearer the question asked by the hon. member for Vancouver South as to what control parliament would have on the commission or board of control set up? Perhaps I can put the question in this way. Would those boards, as far as parliamentary control is concerned, be on a basis similar to the Canadian National Railways and the Canadian Broadcasting Corporation? In other words, would the reports made be referred to a standing or a select committee of the house?

Mr. HOWE: The board proposed is more analogous to the research council, which is actually a branch of government. My hon. friend has referred to two corporations. This board will be not a corporation but a branch of government. It may have corporations functioning under it, but I would say that the members of the board and the staff would hardly be government officers operating in a sphere remote from parliament. Any question regarding the board would undoubtedly be answered in parliament, which is not the case with the Canadian National Railways or the broadcasting corporation. If parliament wishes to have the affairs of the board examined by a standing committee it would need only to make a request and a committee could be established. But it is not a type of organization analogous to the two mentioned.

Mr. FRASER: The minister indicated that he would be asking parliament for money. Has he any idea what it will cost the government a year?

Mr. HOWE: The budget for atomic energy contemplated at the moment, that is to say, for the operation of Chalk River and the laboratories associated with atomic energy research, is about $3,500,000 a year.

Mr. FRASER: There is some revenue from the plant at Port Hope?

Mr. HOWE: Yes.

Mr. FRASER: What is that revenue? You have revenues to offset part of the $3,500,000?

Mr. HOWE: I am afraid the revenues from Port Hope are just about sufficient to take care of that operation and the development work carried on in connection with Eldorado operations.

Mr. MACDONNELL (Muskoka-Ontario): Are the researches which will be conducted by the commission so far removed from any other kind of research being carried on in the country as to necessitate their being carried on separately, or is there some liaison with any other form of research? Second, would the minister care to make any comment, as suggested by the hon. member for Rosetown-Biggar, on the time within which economic peace-time uses may become available.

Mr. HOWE: I have stated that there will be a close liaison between the work of the board and the work of the national research council. Definite liaison is planned by making the chairman of the research council ex officio a member of the board. But the purpose of the board is to exercise powers other than directing research. It must keep a close control over security and over the handling of the product. It must also keep abreast of developments in the international field, and must be prepared to guide the government in its international relations.

Mr. MACDONNELL (Muskoka-Ontario): Do I understand the minister to mean that for reasons of security, and I take it he means military security, it will be out of the question to have contact between the researches carried on by the commission and those of the research council or any other industrial research going on in the country?

Mr. HOWE: I did not intend to imply that there would be no relation with other researches. It is expected that under the direction of this board work can be carried into university laboratories and into any laboratory that is able to give man-power to it, and carry on under careful supervision. The danger is that it takes a matter of only three or four pounds of this material to blow up the city of Ottawa.

Mr. MACDONNELL (Muskoka-Ontario): Why pick on Ottawa?

Mr. HOWE: The reason for the security is that no one shall be able to divert any of this material from the purpose for which it is intended. As to the time when there will be practical applications of the material, I believe the time will be short. The science of atomic fission is in about the same position to-day that electricity occupied when Faraday discovered the electro-magnet about 100 years ago, but science has broadened since then, and application of this energy will probably move faster than in Faraday's time. I would say that in five years there will be practical applications of the material. The first will probably be in direct transference of heat, and once that transference of heat has been worked out the application will follow logically.

Mr. SKEY: Who will be responsible for employing the various scientists who will work on this new project?

Mr. HOWE: The pattern of the national research council will be followed. Its scientists are employed by the governor in council.

Mr. SKEY: Will special care be taken to screen the personnel who will be dealing with these atomic projects? Will they pass through the mounted police or some other authority who can pass on their security?

Mr. HOWE: Yes. For several years, every man or woman who has been employed by the national research council has been screened by the Royal Canadian Mounted Police.

Mr. FLEMING: From what the minister said a moment ago with regard to the proposed personnel I took it that the members will serve on a part-time basis. Probably that has direct relationship to the point he made earlier with reference to the essential nature of the board, as to whether it would be an operating body or a policy body. Will the minister indicate to the committee within what period of time we may expect the decision to be taken as to whether this body will be an operating or a policy body, and what opportunity we may expect parliament to be given at that time to consider that question? It will affect also, I take it, the proposal to clothe the board with power to set up a corporation to carry on specific works under the authority of the legislation.

Mr. HOWE: The bill itself, when it is placed in the hands of the committee, will indicate the authority with which the board will be clothed. The decision as to whether it will, in fact, be an operative body will be left largely to the board itself. The operations at Chalk River are being carried out under the national research council. At the moment the national research council is favourably disposed to the board taking over actual operating in the field of radio-active substances. The present intention would be to clothe the board with the duty of actually operating the project. However, no decision

has finally been taken, and I should not like to commit myself at this time and say that the board will be an operating body.

Mr. FLEMING: May I infer from what the minister has said that there is no present intention of expanding the scope of operations? It is simply a matter of whether the present type of operation shall be carried on directly under the board or continue as at present under the research council.

Mr. HOWE: The activity is certainly expected to expand. Up to date the activity has been to carry on extensive research in laboratories, with a pilot plant and, concurrently, with the building of a pile that is perhaps not wholly a full-size commercial pile, but something approaching that magnitude. It is expected that, as material becomes available, the board will devote its attention to widening the field of experiment; that is, by making it available to those who wish to devote time and attention to development work in that field under proper supervision.

Mr. JACKMAN: On numerous occasions the minister has referred to the commission. May I ask him to straighten out my own mind on that? Is it the same as the atomic energy control board?

Mr. HOWE: Yes.

Mr. JACKMAN: When the minister referred to the fact that there was a meeting of the commission on June 14 at which General McNaughton was to attend, was that the same—

Mr. HOWE: No; I am sorry. Perhaps I have confused the committee. I shall look over my remarks carefully to make sure that I used the word "commission" in its proper sense, and the word "board" in its proper sense. The proper use of the word "commission" is in reference to the international commission, and the proper use of the body to be created by the bill which will follow this resolution is "the board".

Mr JACKMAN: This is an international commission, the members of which are Great Britain, United States and Canada. Are these the only members?

Mr. HOWE: No. There are other countries represented on the commission. All the great powers are members, as in Canada, and certain other countries.

Mr. JACKMAN: As tabled on December 17?

Mr. HOWE: Yes.

[Mr. Howe.]

Mr. JACKMAN: There is to be an exchange of information between the members of the international commission. How does Canada or any other member get its particular assignment as to research? For instance, I read that in the United States they are appropriating $250 million for research for the navy, mostly along atomic lines, and one million is being appropriated for research into pure mathematics. While I believe our country must do its share in making its contribution, particularly because of its early contribution along this line, I think the committee should be given some idea as to how we get our assignment, because if we have carte blanche and had unlimited resources, undoubtedly we would spend I suppose as much as the United States, running into hundreds of millions of dollars. I do not think the minister has that in mind. Can he tell the committee how, when the international committee meets, it is decided that one country shall do certain work and so on? How is the expense appropriated? The information is to be intercommunicated, and I merely wish to find out whether or not we are doing about our relative per capita share, or are we going ahead a little faster than one might expect from a country which has the population that Canada has?

Mr. HOWE: The situation is not difficult at the moment. There are only three countries which are publicizing extensive work in the field of radio-active substances. One is the United States; another is the United Kingdom, and the third is Canada. For the past three or four years these countries have been carrying on their efforts under the direction of the policy committee to which I referred in my earlier remarks. The policy committee has three representatives of the United States, two of the United Kingdom and one of Canada. One purpose of the committee is to see that the research of the three countries does not overlap. The project that is being carried on in Canada is not a duplication of anything that has been done heretofore; it is research into one particular method of arriving at the ultimate result.

Britain is beginning to undertake practical research into production of the material itself. Britain has been the leader in laboratory work, and she will still pursue a different line of experiment. All three are being guided by the policy committee for the time being. If the required measure of cooperation can be obtained so that the united nations can take control of research of this subject around the world, then the duties of the policy committee would be transferred automatically to the international commission.

I have read somewhere that the expenditures of the United States on this particular project have been in excess of $2,000,000,000, over the past three years. In the same period, Canada's expenditures have been on the order of perhaps a little less than $30,000,000. These relative expenditures may be reasonable, bearing in mind the resources of the two countries.

Mr. FLEMING: Would the minister indicate what were the expenditures of the United Kingdom in connection with the same enterprise, and to what extent the cooperation that brought about the development of the atomic bomb during the war—cooperation between the United States, Canada and the United Kingdom—is being continued in this immediate post-war period, while the united nations atomic energy commission is deciding what it will do about international control?

Mr. HOWE: During the war period the expenditures of the United Kingdom on atomic energy were not large, for the reason that, England arranged to carry on development work in Canada, and in cooperation with Canada. The Montreal laboratory was a joint project, and the United Kingdom has pooled its scientists with those of Canada in working out the project at Chalk River. The United Kingdom is now planning to build atomic piles in England, similar to ours at Chalk River. The war-time arrangements are still in effect. The policy committee is still functioning as between the three countries, and is continuing to coordinate the work of the three countries.

Mr. FLEMING: In both research and production?

Mr. HOWE: Yes.

Mr. JACKMAN: I took it from the minister's initial remarks that the Chalk River project was intended to explore one particular fissionable material?

Mr. HOWE: One particular method of obtaining fissionable material.

Mr. JACKMAN: Using uranium as a base?

Mr. HOWE: Yes.

Mr. JACKMAN: Later the hon. member for Rosetown-Biggar mentioned that the Lilienthal report said uranium was the only practical material to-day, and was likely to be so for many years to come. Do I understand that the material used at Chalk River has a uranium base, if I may use that term?

Mr. HOWE: Yes.

Mr. FRASER: What arrangement has been made by Canada with the United States and the United Kingdom in regard to supplying them with uranium from the Eldorado mine?

Mr. HOWE: The Eldorado mine has had continuing contracts with the United States government for the sale of uranium, and it has delivered small quantities to the United Kingdom. At the moment the principal consumer of uranium is the United States, but the combined policy committee may allocate available supplies of uranium in accordance with the requirements of each partner government. Canada is the only country of the three which at the moment has an excess of uranium over its own requirements, and this surplus will continue to be dealt with as the policy committee may decide.

Mr. FRASER: Is that a united nations committee?

Mr. HOWE: No, it is a joint committee representing the three companies.

Mr. BRACKEN: Would the minister explain how he arrives at the price of uranium?

Mr. HOWE: There has been a bit of difficulty there. I am afraid our methods may not have been exactly correct. Our earlier operations were primarily based on obtaining radium as the main product and uranium as a by-product. When the question of marketing uranium came up, its cost depended greatly on the value placed upon radium. It is quite obvious that the greater activity in mining operations which has occurred since uranium began to be used in quantity has cast great doubt upon the value of radium. The fact is that the fissionable material will probably be much better than radium for medical purposes. The advantage in medicine of the fissionable material is that its intensity can be controlled, where as it cannot be controlled with radium. In other words probably it will be possible to manufacture to specification for medical purposes, rather than to depend upon radium.

Mr. BRACKEN: And it will not be so likely to burn people?

Mr. HOWE: No. It will be made to suit various applications. On that account, it is unlikely that radium will have the same value in future that it has had in the past. For that reason, I am not sure that we have been charging enough for our uranium. I rather think we have not. We have a considerable stock or radium, on which we have a value that may be too high.

Mr. BRACKEN: Perhaps the minister would prefer not to answer this question; perhaps it would be better not answered, but is the product being sold anywhere other than to Britain and the United States?

Mr. HOWE: No.

Mr. BRACKEN: Perhaps the minister would prefer not to have that answer appear in *Hansard*?

Mr. HOWE: No; that is all right.

Mr. GREEN: In his opening remarks the minister said something about private research having a place in connection with the development of atomic energy for peace-time use. Could he amplify that at all?

Mr. HOWE: Several universities have branches devoted to nuclear physics. McGill university at the moment is installing a cyclotron, which was the instrument first used to break down the atom. Several other universities have active branches concerned with nuclear physics, and the intention will be to assist and encourage developments in those university branches.

Mr. GREEN: The minister also said something about sending out prospectors to try to find the raw ore. Could he give us any further light on the plans for that type of work?

Mr. HOWE: For the last two seasons, and the present season, we have had about twenty prospecting parties studying the geology of the Great Bear lake area. They use a Geiger counter, which is an instrument for measuring radio activity, and which has been used previously in laboratories. Perhaps some hon. gentlemen noticed an article published recently in the *Saturday Evening Post*. It is well known to those interested in radio activity. Portable sets have been made and are being used in the northwest territories to discover the degree of radio activity in various localities of the north. As a result of its use, some promising discoveries have been made.

Mr. GREEN: Are these parties sent out by the Department of Mines and Resources?

Mr. HOWE: Yes.

Mr. GREEN: Or by the research council?

Mr. HOWE: By the Department of Mines and Resources.

Mr. GREEN: And they will continue to be sent out by that department rather than by the atomic energy control board?

Mr. HOWE: Yes, by arrangement between the two. I know Eldorado pays the bill, but I rather think the Department of Mines and Resources directs the exploration, though I am not sure. But Eldorado Mining and Refining and the Department of Mines and Resources collaborate on the project.

Mr. GREEN: Has there been any attempt to reach agreement with any of the provincial governments about exploration parties in the provinces? I ask that because the press in British Columbia carries a report concerning a find of radio-active ore in the Kootenay district. I am wondering whether the dominion government has looked into that find.

Mr. HOWE: Eldorado investigates every find reported to it. To date, as far as I am aware, there has been no likely prospect discovered outside the northwest territories.

Mr. SKEY: Does the government intend to make public the text of the report following the special investigation carried out last fall by Mr. Glassco, of Toronto.

Mr. HOWE: The report is now the subject of litigation, and will be released after that litigation is completed.

Mr. SKEY: For what length of time is the Canadian representative on the commission to be appointed. Will it be an annual appointment, an appointment *pro tempore,* or under what arrangement?

Mr. HOWE: I am not sure. That matter is within the ambit of the Department of External Affairs. However, I shall make enquiries and inform the hon. member.

Mr. SKEY: Is it like the Senate, for life?

Mr. HOWE: No.

Resolution reported, read the second time, and concurred in. Mr. Howe thereupon moved for leave to introduce bill No. 165, relating to the development and control of atomic energy.

Motion agreed to and bill read the first time.

RESEARCH COUNCIL

APPOINTMENT OF VICE-PRESIDENTS AND EXECUTIVE COMMITTEE, ETC.

Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved the second reading of bill No. 154, to amend the Research Council Act.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. HOWE: Six o'clock, Mr. Speaker.

Mr. BRACKEN: Lest there be any misunderstanding, I hope it is not considered that the bill has been read a second time.

Mr. MACKENZIE: No.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, when the house rose at six o'clock we had just taken up consideration of the second reading of bill No. 154. That bill is connected with the following bill, bill No. 155, and involves the main principle of bill No. 155. For that reason, Your Honour, I move the adjournment of the debate on bill No. 154 until later this day in order that we may consider bill No. 155 first, and I would ask the approval of the house to that being done.

Mr. HOWE: I have no objection, Mr. Speaker.

Motion agreed to and debate adjourned.

GOVERNMENT COMPANIES

OPERATIONS AND FINANCING—SUPERANNUATION AND PENSION PROVISIONS

Hon. C. D. HOWE (Minister of Reconstruction) moved the second reading of bill No. 155, respecting the operation of government companies.

He said: Mr. Speaker, since I made an extensive explanation of this bill on the resolution stage I shall reserve any further remarks until later.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, this bill is described as "An act respecting the operation of government companies." It is a far-reaching bill because it sets up a new plan for activities by the dominion government in peace time, sets up a plan that may very well be adopted by some or all of the provincial governments in Canada, and for that reason I suggest to the house that it merits the most thorough scrutiny. The explanatory note to the bill gives a brief summary of the reasons for its introduction. It reads:

> During the war, several companies were incorporated under part I of the Companies Act, 1934, to carry out special projects. Some of these companies, such as Polymer Corporation Limited and Canadian Arsenals Limited, will continue their operations for a considerable period. It may also be desirable, where statutory authority exists, to incorporate similar companies to carry out other special projects.

That is the way in which these companies were formed during the war, and it was a new way not used before by any dominion government. A group of individuals, in most cases civil servants, applied for the incorporation of a company, in just the same way as three or more individuals from any city in Canada might apply for such incorporation; in reality these companies formed as a result of such applications were crown companies, wholly-owned by the dominion government, but having their shares held by officers of the government. That is the way in which these crown companies were formed. They were operated under the provisions of the War Measures Act and were financed out of the war appropriation; each year there would be money voted under the war appropriation bill with which to finance their operations.

We now come to the days of peace, and we are faced with the question, what is to be done about these crown companies? Is the government to carry on in the way in which it carried on during the war? On the resolution preceding this bill the minister explained to the house that it was proposed to retain some of these crown companies and also to form certain new ones, and it is for carrying out that purpose that bill No. 155 is now introduced.

The title of this measure is to be "The Government Companies Operation Act." I would point out to the members of the house that it is a blanket act, to provide for the operation and financing of all crown companies incorporated in the way in which these companies were incorporated during the war.

There are in the bill certain key provisions. The first important feature of the bill is this, that there is no limit to the number of crown companies that can be formed; there may be one, there may be ten, there may be five hundred of them. It is quite clear also that these crown companies may be set up by any minister in any one or in all of the departments. The Minister of Trade and Commerce (Mr. MacKinnon) may have one or ten crown companies; the Minister of Veterans Affairs (Mr. Mackenzie) may have the same number, and obviously the Minister of Reconstruction and Supply (Mr. Howe) is going to have quite a few of them. They can be set up in any department of government, so that we may have each minister with a flock of crown companies, just like an old mother hen with a lot of ducklings.

Mr. MACKENZIE: Chickens, isn't it?

Mr. GREEN: No; I said ducklings. Then under bill No. 154 power is given to the national research council to procure the incorporation of crown companies. That council, too, may have a flock of ducklings.

Provision is made in the bill also that each one of these crown companies can have paid to it by way of capital up to a total of $500,000 at any one time. The company gets that amount either by loan direct from the consolidated revenue fund of Canada or by borrowing from the public under guarantee by the dominion government. In addition to being able to get capital up to that amount of half

a million dollars, provision is made that each company can construct, acquire or improve capital works up to a total of a further $500,000 in any one fiscal year. As I read the bill, this means that each company may have up to a million dollars. Then, each company is to be an agent of His Majesty; it can sue or be sued. Furthermore, each of these companies can employ whom it wishes, can pay whatever salaries it wishes, and has full control over all officers and servants. Again, each company can set up its own pension fund or its own group insurance plan, subject in those cases to the approval of the governor general in council, but the pension funds may be all different and they may have different group insurance plans.

The other key provision to which I would refer to-night is that each company must make an annual report in such form as the minister who happens to be the mother of that particular company requires. In due course that report comes through the minister to parliament; there is provision for its being laid on the table of parliament within a certain number of days after the house meets in session.

These crown companies were a creation of the war. It is important that hon. members should realize just how it came about that we have such an institution in Canada. The minister explained it the other day; hon. members will find his explanation at page 1511 of *Hansard*, when he said:

> Crown companies were an invention of the Department of Munitions and Supply in the early days of the war to provide a method for carrying out duties which could only be carried out with difficulty by the staff of the department. Hon. members will appreciate that, at the commencement of the war, the Department of Munitions and Supply had no staff. It was a newly-created department, and it acquired its staff by going out into the highways and byways and inducing men with high patriotic purpose, men of skill and experience, to leave their civilian occupations and join the service of the government for the period of the war.

I would point out in that connection that, now that the war is over, many of these outstanding businessmen who came into the government service, solely from patriotic motives, have gone back to their businesses and are no longer available for the operation of crown companies of this type. The minister went on to explain:

> One of the inducements for adopting the crown company plan was that it permitted men with business responsibilities of their own to give a good deal of their time to the government, in executive positions associated with a form of administration with which they were wholly familiar.

There were thirty-one crown companies set up in this way during the war. They have now been or will shortly be reduced to five.

The minister listed on the same day the companies which were to remain; they are set out on page 1512, of *Hansard* as follows: Canadian Arsenals Limited, Polymer Corporation Limited, Park Steamships Limited, Wartime Housing Limited, and Eldorado Mining and Refining Limited. He said:

> Of these five I anticipate that Canadian Arsenals, the Polymer Corporation and Eldorado Mining and Refining will continue as crown companies for many years to come. I also anticipate that the Park Steamships Company and Wartime Housing will be wound up within the next three or four years at the maximum.

It may be that a crown company is the best method to carry on certain types of business in peace time. For example, I am not arguing this evening that Canadian Arsenals Limited is not the proper structure to carry on the manufacture of weapons in Canada. That may be true also of the Eldorado company, because it has to deal with uranium and, as every hon. member knows, uranium is of world-shaking importance at the present time. There may be reasons why the Polymer Corporation should be a crown company; I am not arguing this evening either that it should or should not be. But I suggest to the minister and to the members of the house that where we need a crown company it should be set up by means of an individual bill brought into this house to deal with that one company alone. If that were done, parliament and the Canadian people would know exactly why a crown company is required. Parliament would be able to approve or disapprove the powers which it is supposed to give to the company. Parliament could provide for the operation of the company. That has been done in certain cases, for example with War Assets Corporation. I believe that if that were the policy followed, each company being set up by an individual bill, there would be far fewer crown companies, and surely crown companies should be the exception rather than the rule. But this bill No. 155 is a blanket bill; we as members of the Progressive Conservative party have serious objections to some of the terms of that bill, and because of those objections cannot support it.

I am going to list six objections. No doubt there are others. I think each one of these six is important, and I would ask hon. members on all sides of the house to give careful consideration to them.

The first objection is that there is no limit to the number of crown companies which can be set up; further, that any department can set them up.

The second objection is that government activities of this type are far removed from parliamentary control; the crown company is

far removed from parliamentary control. If this bill is carried it will weaken parliament; it will be one more step in taking away parliament's powers. The only check on a crown company that the minister can promise is that its accounts will be brought in once a year and laid on the table of the house. It may be that they will be studied by a special committee, but I submit to hon. members that that is an ineffective control; it means locking the stable door after the horse has gone.

As the number of crown companies increases, the effectiveness even of that control will diminish accordingly. Just consider the position if we have fifty of these crown companies; parliament will have no effective control over them or their operations. I do not think anyone in this house will contend that parliament has had any effective control over crown companies during the war. Certainly in my experience there has been little control over the activities of these companies; with other problems pressing, and in the hurry of the war, parliament did not bother very much about how these crown companies were carrying on.

The third objection is that no provision is made for these crown companies to pay any taxes municipal, provincial or federal. The Minister of Reconstruction pointed out the other day that a crown company did not have to pay taxes because it had the protection of the British North America Act. Hon. members will find in section 25 of that act the following:

No lands or property belonging to Canada or any province shall be liable to taxation.

The time has long since passed when the dominion should shelter behind that provision of the British North America Act at the expense of the municipalities. Certainly these crown companies should pay municipal taxes. I suppose there are dozens of municipalities across Canada losing out because the dominion pays no taxes. I have here a resolution passed a few months ago by the city council of my home city of Vancouver which sums up the situation as it applies in every municipality in Canada in which there is any considerable amount of crown property:

That this council reiterates its stand of June 12, 1945, when it passed and asked His Worship to present to the Canadian federation of mayors and municipalities the subjoined resolution which was adopted at the 8th annual conference of that body for submission to the federal and provincial governments.

Whereas under the British North America Act, 1867, the property of the crown (whether dominion or provincial) is not subject to municipal taxation;

And whereas at the time the act was passed only a few properties belonged to the crown, such as post offices, court houses, penitentiaries, etc.;

And whereas since that time, and particularly during the war years, both governments have vastly increased their holdings and have embarked upon many forms of commercial business never contemplated in 1867;

And whereas municipalities are required to provide services for government buildings, such as roads, fire protection, police protection, sewer facilities, etc.;

And whereas it may be expected for some years that the number of government properties in the municipalities will not diminish;

Therefore be it resolved that this conference reiterate its stand that some measure of relief for the municipalities must be worked out, and that pending such an amendment to the British North America Act as will require the government to pay taxes in the ordinary way provision be made by way of grants or otherwise to offset the value of the services contributed to them as aforesaid.

In that city there is dominion government property assessed at over $15,000,000 and provincial government property assessed at over $3,000,000, to a total of $18,464,150. If that were taxable at the ordinary rate that a ratepayer has to pay it would yield $608,574 per annum. In my opinion the dominion has been getting away with murder in the last few years in so far as exemption from payment of municipal taxes is concerned. Also, the crown companies pay no provincial taxes, nor do they pay federal taxes and therefore are not on the same footing as private business, and that brings me to my fourth objection.

In some cases crown companies will be in direct competition with private business. I do not think any member of the house can question that fact. They are bound to be in competition with private business, to some degree at least, and one proof of that fact is that these crown companies are set up in the way that has been devised so that they can pay the same type of salaries that are paid by private industry. I do not want hon. members to think I am speaking on behalf of big business, because the big fellow is usually able to take care of himself. It is the little fellow who goes to the wall and who will suffer from competition of this type. It should be made clear to every Canadian that with each independent business man destroyed we chop down one of the pillars on which the nation rests.

The fifth objection is that the bill makes possible the setting up of a super civil service. Employment is entirely in the hands of officers of the crown companies. They can hire whomsoever they choose and pay whatever salaries they wish. The minister explained that one of the reasons he wanted crown companies was to pay salaries commensurate with those paid by private industry. These provisions regarding employment leave the way wide open for patronage, wide open for employment of supporters of the government

that happens to be in power at the time. The companies are designed to get around the Civil Service Act. That is one reason for having them.

The Civil Service Act, as hon. members know, is based upon the principle of employment on merit; upon the principle of everyone having the same type of pension plan and of keeping appointments entirely away from patronage. But these crown companies are set up in such a way that their employees can become a super civil service.

The sixth objection is that by using these crown companies the government is putting into effecet a very fine method of bringing about a socialist state. There are "hear, hears" from my left. The members of the C.C.F. party will agree, I am sure, with that statement; and that very fact should be a warning to the private members on the Liberal side of the house. Let that sink in, that the C.C.F. are applauding the fact that this bill makes socialism easy. They have already been using this same system in the province of Saskatchewan and naturally they want the same system written into the federal law. I warn the government, I warn private members of the Liberal party particularly, that this bill—

An hon. MEMBER: We are stealing their thunder.

Mr. GREEN: —is opening the floodgates of socialism. We believe that the bill should be withdrawn, that far more thought should be given to its implications, and that in the meantime the minister should bring in separate bills providing for his three companies which are to carry on or, if he wishes, providing for the five companies. I think there would be little trouble in having bills of that type pass the house; but we cannot support any blanket bill of this kind which in effect, even though it may not be in intent, is an attempt to grasp, for ministers of the crown, powers that belong to the Canadian parliament.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I do not very often intervene in debate in this house, but I must say that in seventeen years' experience here I have never heard a more stupid, a more nonsensical, a more fatuous speech in my life than I have just listened to from my hon. friend on the opposite side.

Mr. GREEN: Mr. Speaker, on a point of order—

Mr. MACKENZIE: I have the floor.

Mr. GREEN: On a point of order.

Mr. SPEAKER: I understand the hon. gentleman is speaking to a point of order.

[Mr. Green.]

Mr. GREEN: I submit, Mr. Speaker, that those words are not parliamentary and should be withdrawn, although I may say I have a very low estimate of the value of the minister's opinions. I submit, however, that the words should be withdrawn.

Mr. MACKENZIE: If they are not parliamentary, sir, they are very sincere, and if I were to express my opinions outside they would be no less sincere and ten times more unparliamentary.

Mr. SMITH (Calgary West): Withdraw.

Mr. MACKENZIE: I will not withdraw a single word, because every single word is parliamentary. I know my rules.

Mr. TUSTIN: Yes, you think you do.

An hon. MEMBER: We know our rights.

Mr. SPEAKER: Order.

Mr. MACKENZIE: The remark has been made to-night by the typical Tory mind—

Mr. SMITH (Calgary West): On a point of order, Mr. Speaker—

Some hon. MEMBERS: Oh, oh.

Mr. SMITH (Calgary West): Speaking only to the point of order—

An hon. MEMBER: Don't be stupid.

Mr. SMITH (Calgary West): You know, the mule gave certain advice at one time; therefore I realize where it comes from.

Mr. SPEAKER: Order.

Mr. MACKENZIE: Mr. Speaker, we have heard—

Mr. FLEMING: On a point of order, Mr. Speaker—

Mr. SPEAKER: Order.

Mr. FLEMING: We are waiting for a ruling.

Mr. SPEAKER: I did not hear the hon. member ask that the words used by the hon. member should be withdrawn.

Mr. FLEMING: Yes.

Mr. MACKENZIE: I do not intend for one second—

Mr. GREEN: I ask that the words used originally be withdrawn. I forgot what they were. One was—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE: I have pleasure in withdrawing all the unremembered words. So far as the clever boy from Eglinton is concerned, I think he had better just refrain for the moment from intervening in this debate.

Mr. SMITH (Calgary West): Why not sit down on the point of order?

Mr. MACKENZIE: I must say I myself have not infringed upon the tolerance, patience and indulgence of the house as the hon. member for Calgary West has in the last few days.

Mr. SMITH (Calgary West): I rise to another point of order. Why not take that back? I accept it just as it is given.

Mr. SPEAKER: Order. Hon. members know that when an hon. member has the floor he should not be interrupted without his consent.

Mr. SMITH (Calgary West): I rise to a point of order. The minister, charming and all as he may be, a moment ago said that he had not been in the position of the member for Calgary West who did certain things. I am quite unable to keep up with him because he has that fluid sort of mind which runs all over.

Mr. SPEAKER: Order.

Mr. MACKENZIE: I think the house will probably forgive the hon. gentleman. All I want to say is this, and I think the house will pardon me for saying it. To-night we have the Minister of Reconstruction and Supply (Mr. Howe) submitting to the house and to the country in the days of transition, reconstruction and reconversion a well-considered plan for the direction of certain activities of the country.

An hon. MEMBER: C.C.F.

Mr. MACKENZIE: I think the whole house, regardless of our political affiliations, will agree that no man in the Dominion of Canada did more during the six trying years of war to lead us to victory than did the hon. gentleman who is now submitting to this house a certain plan in regard to crown companies. And just because it savours slightly of public ownership, direction and control, these backwoods Tories come here with rusty bowie knives to try to kill the very fine conception of modern industrial development in Canada. I think the country which gave my hon. friend such loyalty and support during those dark years of war, and also this house, will give him equal support and loyalty in carrying out these new policies for the development of Canadian industry to meet the problems of to-morrow.

Mr. SMITH (Calgary West): That is one for the book.

Mr. ANGUS MacINNIS (Vancouver East): I regret very much that I have not the fluency of language to follow in the footsteps of the hon. member for Vancouver Centre (Mr. Mackenzie). However, with my disabilities in that regard I shall try to deal with this bill and with some of the objections to it raised by the hon. member for Vancouver South (Mr. Green), in which he was stating the position of the official opposition in the matter.

To-day I was writing a radio script for a recording, and without knowing exactly what my hon. friends were going to say I think I put it down right by saying that they would oppose these several bills on the order paper for public ownership. I can understand their fears but I cannot understand how they can logically oppose measures of this kind. Let us look at the picture that is confronting not only Canada but the world. And in doing this let us take our minds back to the ten years before the war and consider the state of affairs that existed when the war began. Are we to leave the natural resources, and the welfare of the people of this country, to the caprice of certain individuals who may or may not develop our resources for the benefit of the people of Canada? That is the question confronting us. Unless my hon. friends will say and give proof that there are people in Canada who are prepared to place their capital in ventures of this kind and at the same time safeguard the interests of the whole of the people of Canada, there is nothing they can logically do but support the representatives of the people—the government—in carrying out these projects.

In discussing another measure to-day I believe the leader of the opposition (Mr. Bracken) referred time and again to the fact that we were taking these things away from the Canadian people.

Mr. SMITH (Calgary West): Mr. Speaker, may I rise to a point of order? Is it not against the rules to discuss a recent debate in dealing with this measure?

Mr. MACKENZIE: No, not necessarily. Look up citation 293.

Mr. SPEAKER: I call the attention of the hon. gentleman to the fact that he rose twice on a point of order and I did not see any point of order. If he wants to ask a question of the hon. member who has the floor it is his privilege to ask it, but the hon. member need not be interrupted. Having no point of order, I do not think the hon. member should rise.

Mr. MacINNIS: Thank you, Mr. Speaker.

Mr. SMITH (Calgary West): My point was that the hon. member was quoting from a previous debate. If I am wrong, all right.

Mr. MacINNIS: I did not quote from a previous debate. I merely mentioned that such a debate took place, and gave the trend of the speaker's remarks. But I need not even go that far. Surely the people of this country have far more control over what is done by this government, or by any other government that might be sitting on that side of the house, than they have over the acts and actions of private concerns. What control, for instance, have the people of Canada over the Aluminum Company of Canada? What control have they over International Nickel? What control have they over any of these large corporations that are essential to the life of this country? They have not the slightest control.

During the last few months we have seen a trend in affairs not only in this country but in nations throughout the world. Where there are socialist governments they go on with measures of this kind as a matter of considered policy in the best interests of the people, and they are really doing what the people have asked them to do.

The hon. member for Vancouver South raised six objections to this measure. I am not going to say that this measure is perfect; but it is now before this house and it is the duty of those who believe in the principle involved to make it as perfect as possible, while at the same time it is the duty of hon. members to my right, the official opposition, to oppose it if they do not agree with it. But I think most hon. members will agree with the principles of the bill. The hon. member for Vancouver South says his first objection is that there is no limit to the number of crown companies that may be set up. If the welfare of the people of Canada demands the setting up of crown companies why should we set any limit? Surely it is within the good judgment of members of this house whether or not a crown company is desirable or necessary at any particular time.

Mr. SMITH (Calgary West): Agreed.

Mr. MACDONNELL (Muskoka-Ontario): That is just what we are asking. We want to examine them one by one, which is what the hon. member asked.

Mr. MacINNIS: That may or may not be an objection. But the hon. gentleman objects to the whole principle, as far as I am able to gather.

Some hon. MEMBERS: No.

Mr. GREEN: Let us have them one by one.

[Mr. A. L. Smith.]

Mr. MacINNIS: And perhaps the hon. member would oppose each one. Why not, as the member for Vancouver South said a moment ago, oppose them in blanket form rather than go to the trouble of opposing them one by one?

Then the hon. member said this bill would take the crown companies away from parliamentary control. But, Mr. Speaker, it lies with this parliament as to how much control we wish to have.

His third objection was that there was no provision for crown companies to pay taxes. Well, since the value of what will be produced by the crown companies will go back to the people of Canada through the consolidated revenue fund, the services required by the people will ultimately be paid for out of such funds. I quite appreciate that the municipalities have difficulties, but we shall have to meet those difficulties in the same way we met the situation when private companies refused to provide employment for the people of Canada, and we had to pay unemployment relief. The government cannot get away from these matters. We may as well use the resources of the country to provide these things first hand instead of leaving them to private companies and then have to do them second hand.

The fourth objection was that crown companies would be in competition with private companies. Well, I thought my hon. friends believed in competition, so that does not appear to be a very strong objection.

The fifth objection was that these companies will create super civil servants. I have always noticed that when my hon. friends think of government or government projects they always do so in relation to the jobs which may be created and who will get them. After all, their fears are merely an evidence of what is constantly in our minds, that is, that under the present competitive system all are competing against each other to survive, each one striving here and striving there to get a job so that he may have some hold, no matter how precarious, upon the means of existence. Surely an intelligent society that is able to produce sufficient for all our needs could get us away from that sort of struggle.

The sixth objection was that this would bring about socialism. Well, it is perhaps a natural fear, but I cannot see any great objection myself. But whether hon. gentlemen to my right move to the other side of the house or whether the present government remains there, it will not make the slightest difference; all of you will be driven in the same direction. You must socialize the means

of life within this country in order to assure the people of Canada of the goods and services which their labour produce.

Mr. KUHL: The farms, too? The farms are a means of life.

Mr. MacINNIS: Not very long ago I heard an hon. member over there say that under the present system the farms were a means of carrying on slavery. If we can put an end to the slavery on the farms we shall do so; but if the hon. member for Jasper-Edson (Mr. Kuhl) wishes to continue it for himself, that is all right with me. This war has demonstrated several things. One thing it has shown is that men and women will work for the government, or, in other words, for the people of Canada, just as faithfully and just as effectively as they will work for a private company. From some of the not very loud statements I hear coming from the other side of the house I have an idea that all are not in accord over there.

An hon. MEMBER: It is behind you, to the left.

Mr. MacINNIS: I did not expect anything from over there, anyway, because they have nothing there. But my hon. friends should not worry about the opposition over here; let them worry about their own opposition over there. I may have been hearing echoes from this side, however, so we shall let it go at that. So far as this party is concerned, we are going to support the principle of this bill. We will do what we can to improve it and to see that the interests of the people of Canada are protected as well in the operation of the measure as they are in the principle itself.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, a speech is a good speech or a weak speech as it provokes argument or stimulates sleep. I think the hon. member for Vancouver South (Mr. Green)—or Vancouver some place—made a good speech because it provoked argument.

Mr. GREEN: South was right.

Mr. McIVOR: I was going to ask the minister a question. What is the difference between crown companies and public ownership? I lean decidedly toward public ownership, up to a certain stage. When I think of the controls we exerted during the war in connection with war expenditures, and when I see the country is safe under the foundations laid by the Minister of Reconstruction and Supply (Mr. Howe) I take some satisfaction. I believe where public ownership or crown companies can be operated for the good of the people as a whole, they should be set up. Look at Trans-Canada Air Lines.

Mr. FRASER: Look at them.

Mr. McIVOR: I think Trans-Canada Air Lines should be publicly owned or controlled by the government; but, of course, if you have not an honest government in control, it is a bad thing. But we happen to have an honest government.

Some hon. MEMBERS: Oh, oh.

Mr. McIVOR: Of course doctors differ. I believe radio should be controlled.

Mr. FRASER: And how!

Mr. McIVOR: I mean government controlled. Who would say that anything connected with atomic energy should not be controlled? But when the hon. member for Vancouver South said there were no controls, I bring to mind some of the controls exerted by the war expenditures committee, reports sent to the minister, investigations made and contracts cancelled and fines levied. Control is what is necessary. As the other hon. member from Vancouver said—and we have some great men from Vancouver, no matter what party they belong to—I believe controls are absolutely necessary. We shall have better control from a man like the Minister of Reconstruction and Supply than we shall have from men who control privately owned corporations.

I would take my stand in this way, that one of the causes of labour unrest to-day is that men who toiled at small wages remember, when they go on strike, that they have seen companies able to invest hundreds and thousands of dollars in victory bonds while they, themselves, cannot own their own homes.

I congratulate the minister upon this bill, and of course I shall support it.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I have listened to the three-cornered Vancouver debate with considerable interest. I am always very happy to hear my hon. friend, the Minister of Veterans Affairs (Mr. Mackenzie). He always gives a fine demonstration on these things, and I always try my best to follow that smooth, Gaelic language of his; but I find it difficult to get every word of it.

However, I thought this time he did a very good job, except for this one thing, that he drew the complete support of my hon. friends to the right. That always makes me most suspicious. If I did not have suspicions before, I certainly did have them after the exchange took place.

I must say, first of all, that I for one, having watched with interest the work done by the Minister of Reconstruction and Supply (Mr. Howe), and having noted carefully the contribution he made during the war, must say that I appreciate what he did during the war. But his contribution in wartime certainly does not entitle him to special privileges after the war is over.

Mr. MACKENZIE: He is not asking for any.

Mr. LOW: That seemed to be the whole tenor of the appeal made by the Minister of Veterans Affairs.

Mr. STIRLING: Exactly.

Mr. LOW: No other reason for it at all.

Mr. MACKENZIE: By their fruits ye shall know them.

Mr. LOW: I was not much moved either, by the arguments advanced by the hon. member for Vancouver East (Mr. MacInnis). I have listened time after time in the house to speeches from him and from other members of his party, and they often remind me of that mental conceit that is utterly unaware of the rattle of its own dry bones. So far as his arguments were concerned, he did not get down to the facts of the situation with respect to this bill.

Here is the nub of the whole thing: Are we to put into the hands of the government an enabling bill under which they can set up at will any crown corporation they wish to set up; and to finance, and carry on under its terms the hiring and firing all servants? By the way, when I speak of financing, I should like to refer to what was said by the minister when he introduced this measure. These are his words as reported at page 1511 of *Hansard*:

> The present bill is intended to provide for the financing of such companies and in particular to enable them to use operating revenue to pay operating costs, and to enable emergency requirements for funds to be met.

I draw attention to that for this purpose: I do not think it is good governmental practice at any time to set up a crown company and clothe it with power to use its own operating revenue to pay its own operating costs, because you take the control of the corporation, which ought to carry on in a responsible way to the people, through their representatives in parliament, completely away from the House of Commons. One of the major reasons members sit in the house is to control expenditures by the government. But if we are to set up crown companies under enabling or blanket bills of this kind, and give them the power to use operating revenue to pay operating costs, then it removes control of that company and its financing largely from the House of Commons; and I object to that procedure.

I am asked if private companies would not do the same thing. Yes, but private companies carry on their own affairs, and, further, private companies are not supposed to answer to parliament for their revenues or expenditures.

Mr. MacINNIS: Are they supposed to answer to anybody?

Mr. LOW: Yes.

Mr. MacINNIS: To whom?

Mr. LOW: The people whom they serve.

Mr. MacINNIS: Yes, "the people whom they serve"—the shareholders.

Mr. LOW: No, the consumers of this country. I know what these people are thinking.

Mrs. STRUM: Did the farm implement companies consult the farmers when they increased the cost of farm implements?

Mr. LOW: Mr. Speaker, one of the things we need most in this house is another lady member to take the measure of my hon. friend to the right. If I started to do it they would blame me for picking on a woman.

Mrs. STRUM: Did I ever at any time ask you to give me preferred treatment?

Mr. SPEAKER: I would ask hon. members to address themselves to the Chair.

Mrs. STRUM: I beg your pardon, Mr. Speaker. I merely wished to ask the hon. member if at any time I had ever given the impression that I wanted preferred treatment in this house.

Mr. LOW: There are some of us at least, Mr. Speaker, who try to be gentlemen.

I have attempted to place before the house one of the objections which I take to this bill. This sort of thing, granting a crown corporation the right to use its own operating revenues to pay its own operating costs, is not done in the operation of the Canadian National Railways. If it is not done there, there must be a reason. If it is done in these crown companies, Polymer and Canadian Arsenals Limited, already set up, I have yet to find one good reason why they should follow a different practice from that which is followed with respect to the Canadian National Railways.

The second reason I object to this bill is this. I have no objection whatever, where the exigencies of the occasion demand it,

to seeing a crown corporation set up. Crown corporations have their place, and that was amply demonstrated during the time of emergency in the war. I have never objected to Polymer; I have never objected to Canadian Arsenals, and I have never objected to any other crown companies being set up to meet an emergency situation. But I claim that the emergency situation requiring them has largely passed. We are now facing a time of peace, and certainly it is only right that we should return in our rehabilitation and reconstruction measures so far as we possibly can to the system of enterprise carried on privately. I have never criticized those crown corporations; but, sir, why we should now give blanket powers to the government to set up other corporations at will and clothe them with unusual powers is beyond me. The wisest thing to do, if we need other crown corporations, is to bring a bill into this parliament for each, and let the representatives of the people judge whether the corporation proposed is a good one. Let the representatives find out from their people whether they want more corporations, and let them say whether or not the minister is entitled to have such crown corporations. If that is done, and if I am convinced that the corporation proposed is a good one, I will certainly support a bill brought in to create it, but I do request that we give careful consideration to a principle which I think is objectionable, of granting the government blanket powers to set up any crown corporation they see fit at any time. That is the main reason why I cannot support this bill.

Mrs. GLADYS STRUM (Qu'Appelle): Mr. Speaker, in rising to speak on this bill I want first to reply to the hon. member (Mr. Low) who has just taken his seat. He made a statement to which I took exception. I also think he had no grounds for the accusation which he tacked on to the end of his remarks. That, however, is beside the point.

But to say that the great corporations of this country are responsible to the consumer is to show oneself very young indeed or very irresponsible, for the consumers are the last persons to be consulted by the great corporations, and everyone in this house knows that. The record of corporations in this country, as revealed by the mass buying and price spreads commission of a few years ago, is a record of piracy really, which regarded neither the worker nor the consumer, nor the man who provided the raw material. That was true of tobacco, textiles, farm implements and so on through the whole catalogue of Canadian industry. If anyone does not believe that, all he has to do is to go back and read again the price spreads commission's report. To say otherwise shows a complete lack of responsibility. The consumer has never been consulted, and neither has the worker. So that is a complete misrepresentation of the facts.

When the minister introduced his bill some weeks ago he made it clear that the government was going out of business. I shall not quote from his speech, but he said at that time that he was reducing the assets of the government, which at one time had amounted to some $900,000,000—he will correct me if I am wrong—

Mr. HOWE: Of capital.

Mrs. STRUM: Yes, I thought it was around that figure. The minister said he was reducing the assets of the government to the point where he would retain only those things that were needed for defence; such things, for instance, as are required in the servicing of ships, the arsenals, those things connected with atomic power, uranium deposits and related industries which may arise through the development of atomic power. As to Polymer, everybody knows that we cannot afford not to have supplies of rubber in this modern age if we are to defend ourselves. The only thing the minister asked was that in the interest of defence we maintain these activities for our own safety. He made it quite clear at the time that the government did not believe in government enterprise and would do only those things that were required for the safety of this country. So I fail to see the logic of the objection; I fail to see the reasoning.

Although I hesitate to jump into this Vancouver civil war, I cannot see that the fears of what the minister might do were justified because the record of this government has been that only very reluctantly has it ever embarked upon social ownership, and then only because of an emergency.

I want to ask this question: What other authority has the right to defend Canada? There is not any other authority. This government has not only the right but the responsibility to take care of those assets which are vital to our defence. I am sure, having the record of this government in mind, that they will undertake only those things.

The point has been made that the government pays no taxes. To me that is a fallacious argument because the government in fact pays 100 per cent taxes, for the earnings of any government enterprise — the earnings of the arsenal were about $1,000,000, I think the minister said, because they had sold certain things—go into the federal treasury. It is the only form of enterprise that does pay 100 per

cent profits tax, and so I see no grounds for the argument that the government pays no taxes.

In closing, I merely wish to say that the people of Canada would be very much disappointed and very uneasy indeed if the government did not provide the necessary means to embark on those things which we must do for our defence at this time when there is so much fear in the country.

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I listened with amazement to some of my Conservative friends this evening on the question of public ownership. I have a vivid recollection of Sir Adam Beck when in the province of Ontario he established the greatest publicly owned power system in the world at that time.

An hon. MEMBER: It still is.

Mr. MITCHELL: I believe we can all agree that he made a notable contribution to the life of that province. We had the cheapest power in the world. The establishment of that great publicly owned undertaking profoundly affected the industrial life of the province of Ontario.

Mr. MANROSS: The 25-cycle!

Mr. MITCHELL: "The 25-cycle", my hon. friend says. I could argue that point with him too. If he knows anything about the industry he will know that at that time it was agreed by those interested that 25 cycles was the most economical way of distributing power. Of course in later years that opinion has changed, but that is beside the point. I have a vivid recollection of the campaigns which took place at that time. I thought, when the hon. member for Vancouver South (Mr. Green) was speaking this evening, that he is just thirty years behind the times. Recently we had an example in Quebec of the taking over by Premier Duplessis of the Montreal Light, Heat and Power company: I do not suppose by the longest stretch of the imagination he, or his predecessor Premier Godbout—for anyway it was done by the government of Quebec—could be accused of being a socialist. Confronting us now is an undertaking far more revolutionary than the development of electric power. The potentialities of atomic energy, we are given to understand by those scientists who specialize in the subject, are the greatest of any invention since the discovery of the use of fire and the invention of the wheel.

I am not altogether in agreement, however, with the statement of the hon. member for Qu'Appelle (Mrs. Strum) that you do not need to be taxed for government ownership. I am of the opinion that, with the development in various directions of public ownership, governments will find it necessary, while not directly taxing publicly owned industry, to tax the users of those undertakings. There are only two places where one can get the money. Like the Quakers are said to do, you must go where the money is; you must go to the people who are able to pay. But that does not affect the principle that the state should own great undertakings of this kind. I am not a socialist. I believe that where risk is involved, where one has to take the long view and encounter dips and elevations in the economic life of the country, there is a proper place for private enterprise. But the proper place for such great undertakings as the nation's power sources is under the jurisdiction of the government. I was surprised, therefore, that the hon. member for Vancouver South reverted to the dark ages of the Conservative party in advocating a policy which is in direct contradiction of everything which has been supported by some of its greatest leaders.

[Mrs. Strum.]

Mr. GREEN: Of course the minister did not understand what I advocated.

Mr. J. M. MACDONNELL (Muskoka-Ontario): We are really having a great evening, and I am afraid I shall not be able to live up to what has already been said.

An hon. MEMBER: Nobody expects that.

Mr. MACDONNELL: I did not refer particularly to the standard set by the hon. gentleman opposite; I was just speaking generally.

I would say first of all to the Minister of Veterans Affairs (Mr. Mackenzie) that I am afraid I am going to be in his opinion "stupid, nonsensical and fatuous", because I propose to maintain the ground taken by the hon. member for Vancouver South (Mr. Green); and to the Minister of Labour (Mr. Mitchell) I may appear thirty years behind the times. But I do want to get hon. members if I can to look at the propositions made by the hon. member for Vancouver South, from which everybody except the hon. member for Peace River (Mr. Low) has departed miles away. The hon. member for Peace River has said so many of the things I was going to say that I almost felt it was not necessary for me to speak at all. But in view of the speeches made since he spoke, I believe it is worth while to come back and direct the mind of the house to the things which the hon. member for Vancouver South said, and which I believe, as he believes, are serious and well worthy of our consideration.

What did he ask? He did not speak for or against socialism, and I do not think to-night we need to have impassioned speeches on the subject of socialism. I am one who believes that it should be looked at in a detached way. I do not think we should become theological about socialism. I do not regard myself as an enemy of the human race because I am not a socialist. I believe the way we should look at questions of this kind is, which method will do the particular job best in the particular case, public ownership or private ownership; and that in effect was the attitude taken by the hon. member for Vancouver South in what he said to-night.

Let me repeat what he said. In effect it was this, let us get away from a lot of—shall we say?—herrings. Are there "red" herrings?

An hon. MEMBER: I would say that Ontario Hydro is a pretty fair herring.

Mr. MACDONNELL: We shall come back to that in a moment. The hon. member for Vancouver South said, although not in these words, that as the bill stands it gives us a nice, easy, slippery slope right into socialism. If that is what we want—and hon. gentlemen to my left want it, and I expected that they would acclaim the bill—then, of course, we shall vote for it. But some of my hon. friends to the left will agree with me in this, because I know some of them can be talked to like the rest of us can be talked to, that before we slip into socialism the people of Canada are entitled to have a good look at it. I believe hon. members will agree that there is no sign at present that the majority of our people want socialism. Therefore, if we are changing our way of doing business, it is fair that the people should have a good look at what we are doing while we are doing it. That is all that the hon. member for Vancouver South asked for.

I come now to a point made by the Minister of Veterans Affairs. I wish I were as highland as he is; I am only a poor diluted highlander, about twenty-five per cent genuine: were I 100 per cent I feel that I might amount to something. All we highlanders are more or less sentimental. I think the Minister of Veterans Affairs is a real sentimentalist; I love him for it but I do not follow him for it. He really asked us to vote for the bill because the Minister of Reconstruction and Supply (Mr. Howe) had done a good job during the war. That was what his speech amounted to. I would not disagree with him that the Minister of Reconstruction and Supply did a good job during the war. Incidentally I suspect that if we knew the whole truth we would discover that this is the Minister's bill and that a great many hon. members opposite feel about this bill very much as we do but they will not have any more to say about it than I have, indeed not nearly as much, because they will not have the chance to say anything about it at all.

During the war the Minister of Reconstruction and Supply exercised great powers. We approved that; we could not be finicky about giving power in war time. At such a time one expects a relaxing of ordinary restrictions. But now we are in peace time, and we are really being asked in time of peace to accept a condition applicable only in time of war. I submit—and I think this is the point which the hon. member for Vancouver South made in connection with the bill—that if the measure passes we can have government companies by the score, and let no one imagine that measures creating them are going to be considered by parliament. I expect they will not even be considered by the government. I assume what will happen is that each particular minister will decide what company he wants and will come with his proposal to the cabinet and the thing will be approved.

Therefore what do we have? If we approve this bill we have a movement into socialism to an extent which nobody can measure. That is the reason why hon. gentlemen to the left of us approve—quite naturally—the bill. There is no stopping place; nobody can tell us where the thing will end.

One further remark. I have made the point that people are entitled to "stop, look and listen" when the way of life which they have approved is being changed. It is perfectly proper to ask that this thing should be taken step by step. When there is an industry which the government thinks should be run by the public, very well; let them come and tell us all about it; let us discuss it; let the people of Canada know what is going to be done; let parliament consider the matter, and let it be approved by the people's representatives. We are not saying that there should be no public ownership. The hon. member for Vancouver South said exactly the opposite.

One further point. There have been many references in this house to the present British government, and I submit that it is of some interest to us to know that the present British government is dealing with this matter, as I understand, in exactly the way that we propose that it should be dealt with. Take the steel industry. They are passing a special bill in that regard and they are doing it cautiously. The British minister in introducing that measure said that the British government proposed:

. . . to review the field—

That is, the field of the steel industry.

—section by section and firm by firm, in consultation with the industry, before deciding on the exact boundary in each case.

That, it will be said, is different, that they are taking over an existing industry. I submit, however, that in principle it is not at all different. I say to the government: You are going to step into this, that and the other industry, and when you step into an industry, do you mean to suggest that that does not affect the industry as a whole? Of course it does. It alters the whole condition of doing business in that industry if you step in where there is already private competition. This case that comes from England is absolutely in point. Moreover, it indicates the sound way in which these matters should come up in the house and should be considered; and, as the hon. member for Vancouver South said, only when that is done, only when the people of Canada have had a chance to consider what they are doing, should these important steps be taken.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I speak now largely to assist the Minister of Reconstruction and Supply (Mr. Howe), who told me just now, *sotto voce*, that he had not yet spoken. I want to speak now so that he will have ample material to discuss when he does close the debate. I am not going to be very long, and that should be gratifying to most hon. gentlemen who are here.

First, I wish to refer to some things which by some stretch of imagination might be regarded as political, and I want to compliment the hon. member for Vancouver East (Mr. MacInnis) and the Minister of Veterans Affairs, who is the hon. member for Vancouver Centre (Mr. Mackenzie), on having that nice clean line between the two Vancouver seats, and to reinforce an idea which I have always had that hon. gentlemen immediately to my left and those immediately facing me have a thorough understanding of one another's position. I hope that will not be regarded in a narrow sense, because I made a note of what the hon. member for Vancouver East said, that he commended the government for going on with socialistic measures. I do not think any phrase of mine could even compare with the choice of phrase made by the hon. member in his compliment to the government, on the pace and direction in which they are proceeding.

May I mention just one thing, and in the event of my being regarded as not being always serious, I am asking the Minister of Reconstruction and Supply whether in his judgment the passage of this bill does not mean, as in my judgment it does, a blanket authority to constitute crown companies. Before he shakes his head, let me add this. Adding this to the previous resolution with respect to the national research council, wherein a blanket authority is certainly given to create these companies; having regard to the resolution with respect to atomic energy, I again ask the minister the question that I have put to him—and I notice he is being advised by that eminent lawyer, the Minister of Veterans Affairs. I am again asking him whether it is not the fact that this gives the government blanket authority to do exactly what I said. That is my view. I am just a bit of a police court lawyer; I know nothing about constitutional problems. But behind the minister there sits a very great lawyer from Windsor who operates in another department. I am sure that the minister has only to whisper to him the question I have asked, and he will be told that my humble suggestion is accurate with respect to the law as to what the government is now proposing.

Now, granted that I am wrong—

Mr. ABBOTT: We will grant that.

Mr. SMITH (Calgary West): I have just heard from the Minister of National Defence and I am glad he interrupted me. What he is folding now is not a newspaper, but he is the greatest newspaper reader in the House of Commons. He really reads them. He does that in moments of embarrassment and I know perfectly well that the Minister of National Defence would not read a newspaper upside down. We who come from the west have learned that everybody who advertises in eastern Canada advertises upside down. That is all I have been able to get from the backs of papers spread out in front of the hon. gentleman.

Our humble suggestion is this, and I say this with great respect to the imaginings of the hon. member for Vancouver East, who of course gets out the old needle. The record is a bit scratched, but every time we come to socialism away goes the needle and we hear the same old song, which some day I hope will be a siren song. Nevertheless we hear it. All we are saying in connection with this matter is this. No one has said a word against Polymer or the company which produces at Great Bear lake—Eldorado. No one has said a single word against Canadian Arsenals, with great respect to the hon. member for Qu'Appelle (Mrs. Strum), and I confess I am thoroughly frightened of her. However, may I say that I agree with her entirely that matters of defence should be owned and operated by the government of the country.

Mr. GILLIS: No profits in that.

Mr. SMITH (Calgary West): Probably you would like to have a go at this thing. You are probably one of those people who a moment ago discussed taxation—no, it was the hon. member sitting immediately to my right. Certainly they will give 100 per cent of their profits to the country, but we have not heard of any profits yet, though it is lovely in theory. But the little municipality in which they run their business does not get a dime. Let us think that one over, because they are the people who are trying to operate the municipalities. I am being interrupted in many places, Mr. Speaker. I am not like the chap who went to the sea and told the waters to go back. I was never that silly. I leave that to my hon. friends the socialists immediately to my left.

Mr. MacINNIS: You are doing your best.

Mr. SMITH (Calgary West): I always do, and that is a great deal more than you do occasionally.

Mr. MacINNIS: It would be too bad for you if I did.

Mrs. STRUM: May I ask a question?

Mr. SMITH (Calgary West): Indeed you may.

Mrs. STRUM: Did you ever hear of a corporation getting a tax-free option for twenty-five years? General Motors got that in Saskatchewan, in Regina.

Mr. SMITH (Calgary West): I will accept what the hon. member says about the city of Regina. I do not know anything about the General Motors situation. But if they did the burgesses of Regina passed on it and voted for it. There cannot be any doubt about that, because they could not get it otherwise.

Mrs. STRUM: May I ask the hon. member another question?

Mr. SMITH (Calgary West): Ask me anything you wish, and I shall be very happy to answer.

Mrs. STRUM: Did the hon. member hear that about two years after the employees had been brought in they had to go on relief and Regina had to keep them?

Mr. SMITH (Calgary West): I can answer that in one word. I have a brother who worked there for a long time. He was employed when the government took over and operated it as a war plant, and he has never been on relief nor has he ever asked me for a dime, for two reasons: one, I did not have a dime; and two, he would not ask for it.

I turn to the Minister of Veterans Affairs. He told us how well the Minister of Reconstruction and Supply had done. I will admit —and I am sure my hon. friends to my immediate left will be happy when I say this—that during the war years the Minister of Reconstruction and Supply was the darling of big business. Nobody could say enough about—

Mr. MACKENZIE: Your leader is to your immediate left.

Mr. SMITH (Calgary West): I said the party to my immediate left; I am sorry but a hairpin is good for an occasion, I am told.

During the three years the Minister of Reconstruction and Supply was the darling of big business. Times have changed in that way. Remember, I have not lost my humble admiration for him one little bit owing to his change of heart. As the hon. member for Muskoka-Ontario (Mr. Macdonnell) said—my memory is terrible but I think I have him pinned down somewhere—during these days all of us from the humblest to the greatest, whatever these expressions may mean, were of one mind. We were all at one; we were all united. I am going to ask the Minister of Veterans Affairs a question. He tells us what the Minister of Reconstruction and Supply did then. He is very much in favour of the incorporation of crown corporations. In order that he and the hon. member for Vancouver East may get together, may I ask, is he in favour of private enterprise or state ownership?

Mr. MACKENZIE: Both.

Mr. SMITH (Calgary West): Well, I have been at many circuses, and I have found that the only chap that can do that wears a long hat and paints his face.

Mr. MACKENZIE: Read the works of Winston Churchill. May I have the permission of my hon. friend for half a minute?

Mr. SMITH (Calgary West): You have my permission for anything in the world.

Mr. MACKENZIE: This is what Churchill said in a speech on May 21, 1945:

> And I tell you my solemn belief which is that if we act with comradeship and loyalty to our country and to one another and if we can make state enterprise and free enterprise both serve national interests and pull the national wagon side by side then there is no need for us to run into that horrible devastating slump or into that squalid epoch of bickering and confusion which mocked and squandered the hard-won victory which we gained a quarter of a century ago.

That is Right Hon. Winston Spencer Churchill speaking.

Mr. SMITH (Calgary West): May I be so happy as to agree with the Right Hon. Winston Churchill, and I am happier still that the Minister of Veterans Affairs has had the remarks passed to him from somewhere down the line and discovered what Churchill said on March 21, 1945. We are all so happy about that, and some of the hon. gentlemen opposite—

Mr. ABBOTT: The Minister of Veterans Affairs gave me the same quotation—

Mr. SMITH (Calgary West): I wish I could hear what the Minister of National Defence is saying.

Mr. ABBOTT: I just wanted to say that my colleague, the Minister of Veterans Affairs, gave me the same quotation to use in the debate on the industrial development bank two years ago, Mr. Speaker.

Mr. SMITH (Calgary West): Of course, Churchill did not say it until March 21, 1945, so—

Mr. ABBOTT: Nineteen forty-three.

Mr. MACKENZIE: Nineteen forty-three; you are wrong again.

Mr. SMITH (Calgary West): Well, if you say I am wrong again, all right. I am one who is anxious to admit that I am wrong. I will not apologize for it; it is just my ignorance and I could not help it. You see, I am not always right. I differ so much from the people opposite. They were never wrong. The only way they can prove they are always right is to go back to 1930 and 1935 when a man by the name of Bennett sat over in those seats. They are using him to prove that they were always right. Only a fool is never wrong. The wise man admits it, and it would be a grand thing if all of us in this house—

Mr. MACKENZIE: The people proved it.

Mr. SMITH (Calgary West): The Minister of Veterans Affairs interrupts me again. I have been waiting for the day when he would stand up in the house and say, "No Tory will ever make me sit down." I wanted to be here to reply: "No Grit will ever make him stand up." That, of course, is neither here nor there.

My simple suggestion to the Minister of Reconstruction and Supply is that he has not heard a single word in objection to the three companies which have been suggested. The minister shook his head a moment ago when I suggested that this bill, together with the previous one and the previous resolution, was an omnibus concern where crown companies might be generally incorporated and brought in to operate our business. I know in connection with one he spoke of a crown company under the research council to operate patents. Someone on the government side said—I have forgotten who it was—that any patent owned by the government should be sold to the highest bidder. I agree with all that. With great respect I ask the Minister of Reconstruction and Supply, would he not consider the serious suggestion we made, that when a crown company is formed it be treated as an individual concern? That is not asking a great deal. With that I assure him that of the three companies he has in mind I can safely say he will find very little opposition from this side. Therefore it is not very much to ask that they be treated individually.

We have heard about the toboggan slide to socialism. That expression was used by my deskmate, the hon. member for Muskoka-Ontario. I am not thinking so much of a toboggan slide, but I know that if we get a lot of them there will be difficulties. It may be said that parliament can examine these companies in committees. For a couple of months I have been sitting on the war expenditures and economies committee which covered a great many companies. We could not make a proper examination in a couple of years if we sat every day. We have the Canadian Broadcasting corporation committee. We have the Trans-Canada Air Lines and the Canadian National railways committee. Hon. members who sit on these committees know how limited we are in time and in circumstances. Hon. members know of the lack of research people in our parliamentary library. The individual in this house who endeavours—and I am not criticizing the few unfortunate people who are down there—to undertake research soon runs into difficulties. One of our greatest lacks is a dozen or half a dozen trained research people, so that when we give them a subject we may get back into our hands something having to do with the subject. Do not think for a moment, please, that I am criticizing Mr. Hardy or anyone under him. We who have no staffs—and this applies to members on all sides of the house—that if we have to hunt for anything we waste our time in the catacombs over there and probably find the wrong things. There are not sufficient people over there. There are a few very good ones, but there are not enough to tell us where to go to try to find the answers to our problems.

Once more I am just saying to the minister, through you, Mr. Speaker: will he just not reconsider this a bit? I know many people

say he is drunk with power. I would rather be drunk with something else, if the occasion should arise; but they also say that about a chap named Caesar Petrillo, of the musicians' union, and they say it about John L. Lewis. It is an easy accusation to make against anyone; I am not making it against the minister, but I know this. Only one man who ever lived in this world could have tremendous power and remain humble, I do not mean to his fellows but to himself. What I am suggesting in all seriousness is that the minister reconsider this. Let him bring in the bills he thinks are necessary. Do not regard us as being merely suspicious but regard us as people who are seeking truth and wanting to examine individual measures. Then, with great respect, you will find very little difficulty from this side; but we are frightened of omnibus measures.

Mr. HOWE: I wish to protest the ruling that if I speak I close the debate. I have not spoken during this debate, and I think I am entitled to do so and perhaps have the rebuttal. I ask for your ruling.

Mr. DEPUTY SPEAKER: Since Mr. Speaker made the ruling, as far as I am concerned I would have to abide by it; but if you would like the Speaker recalled to the chair I shall be glad to ask him to come back. With the unanimous consent of the house—

Mr. HOWE: I do not want unanimous consent, but I have not spoken during this debate.

Mr. MACKENZIE: With all respect, Mr. Speaker, I think the rule is that if the minister does not speak when introducing the measure he can speak at any time during the course of the debate.

Mr. BRACKEN: Speaking to the point of order, I should like to ask whether, when the minister moves the second reading of a measure, by that very act he has not spoken?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Certainly.

Mr. DEPUTY SPEAKER: I must say this puts me in rather an awkward position. I believe Mr. Speaker should return to the chair and decide the point; and if hon. members will just content themselves for a moment he will be here.

Mr. GILLIS: I could not hear you, Mr. Speaker.

Mr. DEPUTY SPEAKER: Since the point of order was raised when the Speaker was in the chair I suggested that he should decide the point, instead of the Deputy Speaker; and the Speaker will be back immediately.

Mr. GILLIS: Well, Mr. Speaker, I had no intention of stopping the minister if he wanted to make a statement, but certainly I am not going to let him close the debate because I have a few general observations to make on this measure.

Mr. DEPUTY SPEAKER: Order. Mr. Speaker is about to take the chair, and I suggest that he be asked to rule on the point of order before the hon. member for Cape Breton South (Mr. Gillis) continues.

Mr. HOWE: I have no desire to press the point. I shall be glad to wait.

Mr. CLARENCE GILLIS (Cape Breton South): In my opinion, Mr. Speaker, this debate concerns a serious matter, though some hon. members do not treat it as such. For example, when the last speaker took the floor he said he was going to speak briefly; and then he nearly exhausted his forty minutes. Apart from making a very good show of the thing, a humorous speech, I think he really contributed little to the debate except confusion. I was surprised to find that in answering the hon. member for Calgary West (Mr. Smith) as to whether he stood for private enterprise or government ownership, the Minister of Veterans Affairs (Mr. Mackenzie) was on both sides, as the Conservative party is at the present time. He believed in public ownership, and at the same time he believed in free enterprise. That is exactly the position the Conservative party are taking, as I see it. They are not opposing this bill, except as to the extent to which it may go. Then they go into the realm of prophecy and point out to the Minister of Reconstruction and Supply (Mr. Howe) that at some time in the future this can be developed into adjoint system of state and private ownership, and that kind of stuff.

I just want to make this point, which I do not think has been made so far in this debate. The legislation proposed by the Minister of Reconstruction and Supply is not analogous to what is going on in Britain and bears no relation to it. The British government have decided upon a policy of scolialization. They have passed the basic legislation in the house and are now examining the steel industry section by section to see in what way it can best make its contribution to the economy of Britain. That is exactly what we would do were we on that side of the house. But the Minister of Reconstruction and Supply is proposing this, in my opinion, on the basis of his war experience. He is proposing the setting up of crown companies. He is asking this house to lay down for him, through this bill, the basic legislation necessary because

those who have operated the so-called system of free enterprise in this country for the last seventy-five years have failed. They failed in time of peace, as they are failing now with 243,000 unemployed registered in Canada last week and with the continent of Europe and the world at large crying for production. The system of free enterprise has fallen down on the job. They are not producing; they are not absorbing the ex-service personnel coming back. The minister, with his war experience, realizes this.

Mr. SMITH (Calgary West): How many unemployed are there in Britain?

Mr. GILLIS: That question is too silly to answer.

Mr. SMITH (Calgary West): Then laugh it off.

Mr. GILLIS: A country devastated by war, wrecked from one end to the other; 43,000,000 people on a litle island you could put inside the province of Ontario—

Mr. SMITH (Calgary West): How many unemployed?

Mr. GILLIS: —still trying to get out of the air raid shelters; and the hon. member for Calgary West compares that with Canada, a country with unlimited resources; 11,000,000 people occupying half the continent of North America; a country which does not know what to do with its resources. And we have 243,000 people unemployed while the world cries for our production. That is too silly to answer. This is a serious question and should not be put on the plane on which it was placed by the hon. member for Calgary West during the time he spoke.

Mr. SMITH (Calgary West): Why do you not answer the question?

Mr. GILLIS: There is one thing that perhaps the Minister of Reconstruction and Supply is not forgetting, that no hon. member should forget and that certainly the Canadian people will not forget. When this war broke out; when Britain had her back to the wall, the country about which the Tory party seems to be so anxious; when the free enterprise system was called upon to produce for war the very minister who is introducing this bill tried to let war contracts in this country for the production of the necessary materials of war to assist Britain. But at that time there was a profits limitation of five per cent in those contracts; and a statute passed by this house during the short session of 1939 had to be repealed by order in council at the instance of the present minister because for months he could not get the free enterprisers across this country to accept a single contract to produce munitions of war to enable Britain to build a jumping off place for the rest of the world when it was ready to fight. Now, in the days of peace, he is finding himself in the same position. With thousands of our boys coming back; with thousands of our war workers being relegated back to the streets, we find the free enterprisers back in the saddle putting up a fight for the removal of controls, for the removal of the excess profits tax, wanting to throw the field wide open or threatening to go on a sit-down strike and not produce. In my opinion that is true in every industry in this country. The Minister of Reconstruction and Supply is not asking the house for power to socialize or nationalize anything in this country. He is merely asking us for authority, to give him the right to act where free enterprise has failed to develop the resources of this country as it is doing in the maritime provinces from end to end. There are many small industries which could be set up there. But they would be competing with the big industries in central Canada. They are not set up, with the result that in the maritime provinces to-day you have either to get a policy of taking the people out or to give someone authority to develop small industries in that end of the country.

That is the idea behind what is being done by the Minister of Reconstruction and Supply at this time. So far as I am concerned, this bill is limited in its powers. When one considers the amount of capital that any one company will be allowed to handle in one year, namely a half a million dollars, it means nothing. And they are restricted and limited to that extent, under the bill. Personally, I should like to see those limitations taken out.

All we have to do is to stop and examine for a minute the whole problem on the basis of common sense. Is the fuel industry in this country operating to capacity, or in the best interests of the people of Canada? It is not. We face an emergency, a crisis, in that industry to-day. Is that not also true in the lumbering industry? People in this country are crying for houses, and we find the lumbering industry—the essential industry in the building of houses—tied up under your system of free enterprise.

We can go right along and find the same thing in the textile industry. You cannot buy a shirt or a suit of clothes without a priority ticket. The whole machinery is tied up under the system we have to-day. There is no competition; there is no threat to them. In giving the minister the right to set up crown companies we are going to make that attempt and

that step in the right direction. The hon. member for Peace River (Mr. Low) has said that we are facing days of peace. What world is he living in? Where is the peace? Is it international or national peace? There is certainly not any peace. We have just transferred the war to the home front in every country. I do not think it looked much like peace in Cornwall a few days ago when members of a private detective agency from Montreal were handling strike-breakers with crowbars, in order to smash up members of the Canadian Seamen's Union who were trying to get away from an 84-hour week. There was no peace there.

From one end of this country to the other you have industrial strife and industrial unrest because those who control the means of life in Canada to-day—and incidentally control the government from behind the scenes—are sitting back in the saddle and putting on the squeeze so as to get a freer hand to exploit the people of this country. There is no peace there.

There will be no peace in this world until the standard of living of people throughout the world is raised. Rather than hon. members looking upon this measure as a step toward socialism, I would point out to them that it is nothing to be afraid of. The hon. member for Muskoka-Ontario (Mr. Macdonnell) says that the people of Canada should be consulted. Well, were the people of Canada consulted when the capitalist system was adopted? Were the people of Canada consulted when the Dominion Steel and Coal company were given a blanket right to lease all fuel properties in Nova Scotia, clean out to British Columbia? They were not consulted, at all. Bills were passed, and your birthright was stolen, without any reference to the people. Socialism would merely restore to the people of this country the things that were stolen from them, legally stolen from them, through the legislatures and the House of Commons. That is what it would do. The people were not consulted then. But the people are consulted now, because under the bill proposed by the minister I would have the right to sit here, when a crown company was set up, and examine the accounts.

Mr. FRASER: Oh, no.

Mr. GILLIS: You do with the Canadian National railways, you do with the Post Office Department; you do with the Canadian Broadcasting corporation. Every company or government department operated or controlled by the government can be examined in the house at any time by any member who wishes to ask a question.

Mr. MACDONNELL (Muskoka-Ontario): After it has been set up.

Mr. GILLIS: Do you examine the National Trust Company's activities? Do you examine the activities of Canadian Collieries, from Vancouver? You do not.

Mr. MACDONNELL (Muskoka-Ontario): Government inspectors do.

Mr. GILLIS: So far as I am concerned, Mr. Speaker, we are supporting the minister in the step he is taking.

I just wish to clarify the minds of my Progressive Conservative friends on the matter of socialism. This is a long way from socialism. It is merely the matter of giving a minister the right to set up, in areas where free enterprisers are not developing the resources of this country, means of employment.

Let us suppose that the Minister of Transport to-morrow were to go ahead with the building of the causeway across the strait of Canso, for which Nova Scotia members have been asking, for so long. He would have authority to set up a corporation to do that. Under the bill he would not have to come back to the house and wrangle for months and months.

Mr. McILRAITH: There is no power in this bill to set it up.

Mr. GILLIS: Yes, there is power in the bill. All you have to do is to read the explanatory note, the short bit on the second page. I am merely using that as an illustration. The Minister of Transport would have to set up a crown company. I believe the mechanics of it has been worked out in his department; at least I have seen that part of it.

If the Minister of Reconstruction and Supply wished to start an industry in New Brunswick—and many of them are badly needed there—they could be capitalized at half a million dollars. He would not have to come back to this house and be tied up for a year with all sorts of wrangling and talking about it. He could set it up and report to parliament, and we would have power to change the legislation if we so desired.

The fact of the matter is this—and we might as well understand it once and for all—that what pulled the house of cards down around the heads of the people of Europe was greed, selfishness and stupidity. That is what built Hitler. They feared social change more than they did Hitler; they were short-sighted. Many of them are dead to-day.

We are travelling the same road on the North American continent, if we are not careful, and if we are not prepared to take some responsibility.

An hon. MEMBER. Oh, oh.

Mr. GILLIS: There is no "oh" about it; and you may not have to wait long. If you will just look across the border at the industrial unrest in the United States—in transportation, in fuel, in every one of their major industries—and look back to Canada, you will see that effort is organized by people who understand the stupidity of those who are trying to hang on to something that died a natural death on the battlefields of Europe, and cannot be revived. Social change has to come about.

I am pleased to see that we have at least one minister in the government who is prepared to take the first logical step toward giving parliament the necessary authority to develop the resources of this country in the interests of the people of Canada; and the money derived from that comes back to the government to be distributed to the people by way of social legislation. I am glad to see that we have at least one minister; and I hope that the other ministers will get behind him, and that he will not receive a lot of Tory opposition from that side of the house.

Mr. SPEAKER: Order. During my absence the Minister of Reconstruction asked if he was entitled to speak twice, or to close the debate. If hon. members will recall, at the opening of the sitting this evening, when the Minister of Reconstruction moved the second reading of bill No. 55, respecting the operation of government companies he said:

Mr. Speaker, since I made an extensive explanation of this bill on the resolution stage I shall reserve any further remarks until later.

In making this statement, according to the rules the hon. minister is considered as having spoken. If hon. members would look at Beauchesne, third edition, page 115, they will find this:

If a member who moves an order of the day should rise and say only a word or two, for instance that he moves the order, he is precluded from again addressing the house, except if the order of the day be a substantive motion for second reading of a bill in which case he will be allowed a reply.

Beauchesne, 2nd edition, page 106, under the heading "Standing order 43—Members not to speak twice", says in clause 3:

In all cases Mr. Speaker shall inform the house that the reply of the mover of the original motion closes the debate.

So that when no other members rise to speak, the minister, when he takes the floor, will close the debate.

[Mr. Gillis.]

Mr. F. D. SHAW (Red Deer): Mr. Speaker, before making special reference to certain sections of the minister's speech delivered on May 14, may I refer to one or two statements made in the debate to-night?

In the nineteenth parliament we had an overflow of government members into the opposition side of the house. It becomes completely obvious to-night that in this twentieth parliament the picture is entirely reversed, because now we have the C.C.F. both here on this side and an overflow of C.C.F.-ers to your right, Mr. Speaker.

During his early remarks the hon. member for Cape Breton South (Mr. Gillis) referred to the Minister of Veterans Affairs (Mr. Mackenzie) as one who was riding two horses on this particular subject, namely, public ownership and private enterprise, and he also tied in the Conservative party with that assertion. I should like to ask the hon. member for Cape Breton South how many horses he is riding. I heard the hon. member for Vancouver East (Mr. MacInnis) say that in order to accomplish certain results which he believes essential to the welfare of the people of Canada we must socialize the means of life; yet if he used that expression in some parts of Canada the C.C.F. there would become furious because they realize that it is politically wise in certain parts of this country to exclude many things from their programme of socialization, and one of the things they exclude is certainly enterprises which produce the means of livelihood.

I should like to ask the hon. member for Cape Breton South and other members of his party this question: Is it the specific function of industry to provide employment? Or is it the specific function of industry to provide the goods and services which the people of the country require? We hear from time to time a great deal said about that very subject. We are presumed to have a quarter of a million people unemployed in this country to-day. Since we are living under the present arrangement of things unemployment means no income and therefore a desperate situation, and having that situation, it is asserted by my hon. friends to my immediate right that the responsibility for it rests entirely upon the industrial enterprise of the country. In other words, they say: "regardless of all other circumstances, industry must absorb those who are unemployed." I still look upon industry as that section of our economy which is charged primarily with the production of goods and services of the best possible quality at the lowest possible price. We must recognize the technological fact that almost daily we are improving and increasing our ways and means of production. We must

recognize, therefore, that the tendency in the industrial life of our country is to remove persons from the field of so-called work. This afternoon the hon. member for Rosetown-Biggar (Mr. Coldwell) referred to the leisured state, and I think he got reasonably close to the conception which I hold, namely, that if we can, through improvements in science and technology, remove men from the drudgery of eight to ten hours' work a day, then that should be our objective. But let me emphasize that we must make certain that those who are displaced as a consequence of scientific and technological development are not going to be deprived of an effective claim against the production of our industrial life.

The hon. member for Cape Breton South referred to the era of peace and at the same time he referred slightingly to the hon. member for Peace River (Mr. Low). I have never witnessed the hon. member for Cape Breton South making a substantial contribution towards the peace of this country. In fact, I sometimes think he and some of his associates thrive upon the discontent of the country, and I sometimes think they are hopeful that people will become more discontented rather than more peaceful. They refer to certain practices which have developed in industry and to the report of the price spreads commission. I know all about that report. Those practices constituted an abuse of capital, and I admit that governments should have sufficient intestinal fortitude to step in and check abuses in industry which are nefarious in character. I think everybody realizes that no government whatsoever has any right to close its eyes completely to the abuses of some of the larger corporations, while concentrating upon probably minor offences which are more easily visible.

May I refer to the speech delivered by the Minister of Reconstruction and Supply (Mr. Howe) on May 14. I would be remiss in my duty if I were not to associate myself with the hon. member for Peace River in condemning the introduction of this new principle which the minister referred to on page 1511 of *Hansard* of allowing crown corporations to use their operating revenues to pay their operating costs. Within the last day or two I have had a number of complaints from my part of the country with respect to that aspect of the government's proposals. At the bottom of page 1511 of *Hansard* the minister classified these crown corporations in three groups. First, he referred to those of an administrative and supervisory nature. He said:

> It did not directly operate plants, but it supervised their building, arranged for the operation of the plants, and handled the sale of the product.

While that applied during the war, it is assumed that the minister gave it as one of three functions which one or all of these crown corporations might discharge after the war. But I say to him that it does not require a crown corporation in order that building may be engaged in throughout the country. It does not require crown corporation to operate any industry efficiently; in fact, of all the examples of industry I have seen, some of the most inefficient were labelled as crown corporations. Let me assure the minister, through you, Mr. Speaker, that the fact that before the war industry experienced difficulty in selling its products was not because a substantial portion of our industry was owned privately. Let me emphasize this fact: whether a corporation is privately owned or publicly owned you must have in the hands of your people an effective claim against its production. We realize that we have had and still have crown-operated corporations in this country, but their products and their services are not a bit easier to secure than the products and the services rendered by private companies.

Just before leaving No. 1, let me say again that our view is that the affairs of this country should be so regulated that we shall have in the hands of our people an effective claim against goods, and then it will take no crown corporation to see that such goods are properly distributed.

On page 1511 of *Hansard* the minister asserted:

> In the second class were the manufacturing companies. We found as the war proceeded that it was necessary to increase the manufacture of certain products beyond the capacity of private industry. . .

We agree that the urgent demands of war made that course of action necessary. But what does the minister advance as the reason for a crown corporation to function after the war? I reflect back on that period from 1930 to 1939. No one will say that the industry of this country was then incapable of producing the requirements of the Canadian people. I well recall that our stores and warehouses were jammed with commodities. The government of the day called them "surpluses". But we realize that the whole problem was lack of effective demand for those goods. We shall have no difficulty in securing the vast quantities of produce necessary for the requirements of our people, provided that our people are in possession of those incomes which alone

create effective demand and which alone guarantee the full-time operation of those industries.

I move to No. 3. The minister stated:

> Then there was the third class of companies, companies engaged in merchandising certain raw materials and in providing stockpiles sufficient to assure adequate supplies for war and civilian purposes.

Once again I agree that during the war this was an important function of a crown corporation. But do you remember the stockpiles we had before the war, stockpiles of grain, called "surplus", stockpiles of almost every other type of produce, called "surpluses". Why, they were even paying people not to produce, in order to reduce their stockpiles. Yet we accuse private industry—at least some people do—of not being capable of producing the requirements of our people.

An hon. MEMBER: The C.C.F. do.

Mr. SHAW: Place in the hands of your people, by whatever method you desire, purchasing power so that they can create an effective demand, and industry will flood this country. We have the natural resources. We have the skilled technical personnel and all other types of workers. It is remarkable what would be accomplished. So that I say to the minister, maybe he was simply endeavouring to justify crown corporations during the war by making these statements, but in my estimation if he is endeavouring to use them to justify the existence of crown corporations after the war his case falls miserably flat.

I agree with my leader, the hon. member for Peace River, that where special conditions exist, particularly emergency conditions as was the case during the war, there is justification for the establishment of certain crown corporations, but when I see a measure of this nature, almost unlimited in its application, appearing as though it will pass through this parliament, I say that we are making a step which we may have occasion to regret.

The question occurs to me, when it comes to the establishment of another corporation, say two years hence, will parliament know anything about it before it is established, or will someone quite accidentally discover, maybe a year after it is established, that such an animal is in existence? It removes from parliament, by virtue of the fact that it will spend its own money, a substantial measure of control. If that corporation has to come here for the money to carry on, and if, in asking for that money, it is obliged to justify its existence, we shall be able to say that parliament truly operates in an effective manner as applied to the control of these corporations.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker—

Mr. HOWE: Filibuster. I am sure this hon. member does not know much about it.

Mr. FRASER: I could say in five words just what I think of this bill, but I am going to say more than that. I tell the minister right now that I am against the bill the way it is set up at the present time. I believe he would serve the coutnry best by following the suggestion of the hon. member for Vancouver South (Mr. Green), taking the bill back, and treating each company individually on its own merits. Only this afternoon the minister said that the Eldorado mine and the radium plant at Port Hope were only paying their way. If I remember rightly, that outfit was making a profit before the government took it over. Why is it that at the present time it is only paying its way? However, I suppose we are lucky that it is doing even that; most of the corporations which the government is running or has run have cost the country many millions of dollars. Take the Canadian National Railways; it has cost this country millions on millions of dollars.

Mr. MAYBANK: That is the Tory position.

Mr. FRASER: I did not hear the remark of the hon. gentleman.

Mr. MAYBANK: I hope *Hansard* did.

Mr. FRASER: See what the broadcasting corporation is costing the people of Canada. Everyone who owns a radio chips in two and a half dollars to help run that corporation. But there are broadcasting stations in the United States, owned by private interests, which do not cost the people a nickel, and give good programmes. They do not serve out trash like the corporation we have in Canada serves out.

Mr. MARTIN: Who set it up?

Mr. FRASER: It is not "who set it up"; it is who is running it at the present time.

Mr. MARTIN: Who set it up?

Mr. FRASER: That is not the question now, but, who is running it?

Mr. MARTIN: Who set it up?

Mr. FRASER: The Secretary of State keeps chipping in, but I only wish the Secretary of State would listen to some of the programmes they have on the air now.

Mr. MARTIN: Who set it up?

Mr. FRASER: I am quite sure that the minister would not only have a headache after listening to it, but that he would be very, very bitter.

Mr. MARTIN: Who set it up?

Mr. FRASER: That is just like hon. gentlemen on the other side sitting around the Secretary of State. They often start up the "quack, quack". Who set it up?

Mr. MARTIN: I am simply asking a question. Who set it up?

Mr. FRASER: I have often thought, when friends of the Secretary of State start the "quack, quack" it would be a good idea if the Speaker would throw a few kernels of corn to the ducks and geese on the Liberal side.

I have been wondering why the Minister of Reconstruction and Supply is so anxious to set up these crown corporations. There are more reasons than one, but is it because the Minister of Munitions and Supply—the department is now the Department of Reconstruction and Supply—has men whom he does not want to let out and wishes to make a place for them? Is it because the minister wishes to retain the power he has of real dictatorship over the industry of Canada? That is what he has at the present time. It has been said to-night that parliament has no control over private industry. This government at present has private industry in such a position that industrialists do not know what is going to happen next. They do not know what is going to happen to-morrow and they cannot plan as they should be allowed to plan. This government has not given them any lead at all, or any help, or the prospect of any help.

The hon. member for Vancouver East (Mr. MacInnis) said to-night that we in Canada were competing against each other to survive. Of course, I have always believed that his party felt that way. They do not want to compete with anyone; they would rather sit down and have somebody feed them. If I am right—and I know I am—I have seen deer, elk and other wild animals in game preserves, as other hon. gentlemen have also seen them, and I have always found that those animals in a game preserve are not as strong as the animals that are in the wild, which have to fend for their own food.

An hon. MEMBER: They live a lot longer though.

Mr. FRASER: I think the hon. gentleman over there will agree that no one has ever seen a man or a woman, a boy or a girl who was worth anything unless they worked and tried to do something for themselves. One has to do that. It is really the survival of the fittest and we all have to contribute something. I know the socialist party represented by my hon. friends to my left, and right across the country, seldom try to contribute anything to the welfare of the country. In welfare work, how many of them get out and help? They do not in my riding, and they do not in many other ridings in the country.

An hon. MEMBER: Is your riding the whole country?

Mr. FRASER: No, and I am glad to hear that in the hon. member's riding there is one in that section who does a little bit for welfare. The Minister of Reconstruction and Supply, under this bill, will be able to set up crown companies holus-bolus.

Mr. HOWE: May I interrupt to say that that is wholly untrue. This bill makes no provision for setting up any crown company. The authority must be found outside the bill.

Mr. FRASER: That interpretation is absolutely different from what we have had before.

Mr. MARTIN: Read the bill.

Mr. FRASER: I have read the bill and it would give the government a chance to set up companies holus-bolus. There is no doubt about that.

Mr. HOWE: Read the section.

Mr. FRASER: I will read the section.

(b) "Company" means a company incorporated under part I of The Companies Act, 1934, all the issued shares of capital stock of which are owned by or held in trust for His Majesty in right of Canada, except shares necessary to qualify other persons as directors.

And so on.

Mr. HOWE: Where is the authority?

Mr. FRASER: You have the authority under this bill.

Mr. HOWE: No. That is perfect nonsense. It has been said all evening and you might as well continue, but I simply point out that it is nonsense.

Mr. FRASER: I am pleased to hear the minister say that it is not as I suggest, and I hope that when he speaks he will explain what he means by his remarks. As I see it, the setting up of these crown companies will mean extra income tax to the people of Canada. The companies to be set up under this bill—

Mr. MARTIN: There are none to be set up under the bill.

Mr. CRUICKSHANK: Are you sure you have the right bill?

Mr. FRASER: I only wish the hon. member for Fraser Valley had read the bill. I think he would agree with me.

Mr. CRUICKSHANK: I could not find the holus-bolus.

Mr. FRASER: After the bill passes, you will find it to your regret and to your constituents' sorrow. At any rate, the set-up that the minister has here will mean extra income tax to the people of Canada, and they have plenty at the present time. I hope that the minister will do as the hon. member for Vancouver South (Mr. Green) has suggested.

Mr. MAX CAMPBELL (The Battlefords): I simply wish to make a few observations. I could not allow the statements made by the hon. member for Peterborough West (Mr. Fraser) to go by without some comment. In the first place, he said that this group were in favour of sitting down and allowing someone to feed them. I represent a group of people who pioneered in Saskatchewan from 1904 and on through these years, a group that produced more food possibly than any other section in Canada. When the hon. gentleman says that the members of this group are in favour of sitting down and having someone feed them, I resent that very much, and I know that the people in my constituency will want me to rise in my place and protest against a statement of that kind. Why was the C.C.F. started? There was a good reason for it. It was started because the people who produced the wealth of the country did not get anything for it. Therefore no hon. member in my hearing will get away with a statement of that kind.

Another statement which the hon. gentleman made was that we were not interested in welfare work. What is welfare work? I have seen something of welfare work. The people who do welfare work are good-hearted people—

Mr. SPEAKER: Order. I am sorry to interrupt the hon. gentleman, but I will ask him to discuss the bill before the house.

Mr. CAMPBELL: There has been a good deal of opposition to crown corporations. Many remarks have been made which did not have much to do with crown corporations. If hon. members bring the question of welfare work into this discussion, then other hon. members should be permitted to answer. We have welfare work in connection with business of all kinds. The people who do welfare work are largely the people who have had a greater share—

Mr. SPEAKER: Order. I am sorry to interrupt the hon. gentleman, but on second reading of a bill it is against the rules to discuss matters which are not relevant to the bill itself.

Mr. W. G. CASE (Grey North): My interest in the bill is not to indicate my opposition to public ownership but to indicate my concern about the taxation feature of crown corporations. I think I am within the scope of the bill in discussing the aspects that apply to taxation with regard to municipalities in the future. Naturally I have been greatly interested in public ownership for many years. I am associated with the hydro enterprise, and I am a member of a public utilities board of my home city. I am already on record so far as hydro is concerned. In expressing my convictions to hon. members to-night, may I say that I believe in equality of taxation. The only standard by which you can measure the efficiency in management of any enterprise is that they should in common with all other citizens or corporations bear their fair share of the nation's costs, and particularly the costs of the municipalities.

So far as the hydro electric power commission of Ontario is concerned, it can be considered a crown company. It is true they make money. They make it by the rates that are fixed and levied on the people who use hydro, but none of that money is returned to the municipalities in which hydro power is sold. Therefore in that sense they contribute nothing toward the building of sidewalks, the laying of pavements, the building of bridges or of schools, or the educational costs, the police to protect their property or the fire department which is also necessary to protect their property; whereas other public utilities which are operating within the municipality, such as the water works, any revenue or profits resulting from their operations go into the coffers of the municipalities.

With the crown companies as proposed in the terms of this bill, it would appear to me that, wherever they might be located, if there is a profit resulting from their operation it will find its way into the coffers of the central administration. Hon. members may say that is where it should go. I have no doubt that, in the main, municipalities throughout Ontario and the whole dominion would bid for one of these companies if they could get them to locate in their midst. Nevertheless it seems to me that the time has arrived when the government should give consideration to a local levy of taxation or crown companies; and if we can accept what the Minister of Labour (Mr. Mitchell) said to-night, the government will in due time, and I think should, give such consideration. If that is done, then I

feel our position with respect to the quotation given by the Minister of Veterans Affairs (Mr. Mackenzie) would not be very different from what he quoted from the Right Hon. Winston Churchill. If the suggestion of the Minister of Labour is acted on, then we shall be in a position to make private enterprise and public ownership work side by side.

At the moment I cannot accept the principle that a crown corporation should escape its share of municipal taxation. Many hon. members know that my background is one of municipal government. There we are charged with the responsibility of raising sizeable sums to carry on the administration of local municipalities. All the municipalities of Ontario, being creatures of the provincial government, legislate or work within the terms of the authority laid down by the provincial legislature; therefore their field of taxation is one of direct taxes, and it is limited and must be borne by the property owners.

My objection is—and I am more impressed when I listened to the round of applause emanating from the quarter occupied by the C.C.F. socialist group, that this can easily be; in saying this I am not doubting in any sense the sincerity of the present incumbent of the ministerial post of reconstruction; I think that generally we have considerable confidence in the man who is charged with that responsibility at present—that he is not the one who is going to carry on forever. This legislation could become, in the hands of those who would seek to use it for a purpose it was never intended, in the mind of the Minister of Reconstruction and Supply (Mr. Howe), a dangerous thing. We are all individuals; we think as individuals; we act as individuals, and we shall continue to do so until there is mass regulation and regimentation. In order to bring that about there will have to be instituted a system of government similar to that which we destroyed or hoped we had destroyed in central Europe. I agree in that sense with the hon. member for Cape Breton South (Mr. Gillis) that the thing we thought we fought the war for was to destroy state or national socialism which was rampant in Germany. It was brought about by what we might do here unconsciously in this sense.

There is more than one way to bring about state socialism. The first way is to listen to its being advocated from a public platform. The other way is to continue to impose taxation until you have taxed private enterprise out of existence or destroyed the will of the people and their ambition and desire to make their contribution to the state. As I look back and think of the contribution which has been made by government agencies during the war—and all of them are praiseworthy—I am still reminded that in association with the contribution were the tremendous resources of this nation which have been built up under the finest system in the world so far as I am concerned, namely, private enterprise. I say to you, Mr. Speaker, that the functions of government can quite properly be considered as legislative and not entirely regulatory or administrative. In other words, if there is anything wrong with private enterprise; if there may be so-called monopolies; if some have usurped the privileges of citizenship and have sought to exploit the nation for the benefit of a privileged few, then I say this parliament or any other parliament having authority can legislate and regulate in order that private enterprise may be brought within the scope of the legislation and required to render an account of their stewardship which must indeed, after all, bear some semblance to fair play. I am inclined to accept the suggestion of the hon. member for Vancouver South (Mr. Green), with due deference to my good friend the Minister of Veterans Affairs that there is something in this legislation delegating to the government an authority which, if I understand the Minister of Reconstruction and Supply aright, he is not seeking; and that is one very good reason why the bill should be further considered.

Then the hon. member for Qu'Appelle (Mrs. Strum) spoke about General Motors in the city of Regina receiving some advantage by way of freedom from taxation. In Ontario the only bonus or consideration we can give a prospective industry is a fixed assessment. Of course, if the statutes of Saskatchewan provide that an industry may be brought to Regina where it will pay no taxes, that inducement must have been approved by the ratepayers of that city. They may have taken a long-range view, knowing that at some time, sooner or later, that enterprise would pay taxes in the municipality, and that would be offered as an inducement to have it locate there. The moment we approve the establishment of crown companies, which will be located in municipalities across this country without being subject to taxation, then I say the situation is entirely different from that of offering a bonus or some similar inducement to private enterprise, since they will never pay taxes.

The real source of security, after all, is employment, and I will go so far as to say that I believe this country of ours offers everyone the right to earn a living at a fair rate of pay for a fair day's work. But I certainly do not feel that we should subscribe to the false theory which I believe is all too

prevalent in these days, that the country owes a man a living. I cannot accept that, nor do I think it is good for the nation. There is a tendency at the present time for people to lean upon others, and we find a constant trend toward paternalism on the part of the government. We are now to have crown companies, and we shall have no way of knowing whether or not they are efficiently operated, because we have no yardstick with which to measure them since they pay no taxes. I have heard it said in this house, for instance, that T.C.A. had an operating surplus, but unless we know what they paid in taxes for the use of airports and other property it is difficult indeed to determine if they are efficiently managed. In order to determine the measure of efficiency we must have some means of comparison. The setting up of crown companies may be the thin end of the wedge, so that our people will be still further robbed of their initiative and their desire to build Canada into a great nation. We have in Canada what it takes to make a great country, but what we need more than anything else is good, sound business management. We need balanced budgets and lower taxes, because at present our people are being discouraged by taxation, and that may account to some extent for the constant migration from this country to the United States.

It has been stated in this house to-night that in many enterprises the crown can give leadership, and I would point to one outstanding example in that connection. In the great province of Alberta there is a wealth of coal, a great deal of which may be needed in this country before next spring comes around. I hope the government are considering giving leadership in that development, because I believe great quantities of this coal could be made available. I have no doubt that one of the reasons back of the introduction of this legislation is atomic energy, which has been referred to this evening; and I feel that for whatever the government may have done or may do by way of research in this connection they should be commended, because in atomic energy we have a latent power greater than anything mankind has ever conceived. Man has now discovered a means of harnessing this power; but how is he going to use it? In the beginning I believe it is in good hands when it is under the control of the crown. We should seek constantly to see that it is developed and devoted to useful purposes. As my leader (Mr. Bracken) said this afternoon, it should not be developed in anticipation of destruction but for purposes of construction. It may be that these crown companies are to be set up in order to develop atomic energy still farther, perhaps to utilize the products resulting therefrom or even to use the power that may be developed in this way. But I believe the minister should accept in good faith the suggestion that has been made from this side of the house. I would not want in any way to appear belligerent about this. I rose to speak only because I have been long associated with public ownership ventures in Ontario, and I would not want my position to be misunderstood or misinterpreted. I am in favour of public ownership, but by the same token I am in favour of every enterprise and every individual bearing a fair share of the cost of government, because that can become a terrific burden.

We in Ontario realize that our hydro system, owned by the crown, has brought us cheap power and has assisted in our industrial development. Nevertheless, to get a true picture of the value of such great institutions I feel they should bear their fair share of the cost of local government within the municipalities. I believe we should give careful consideration to all these matter before we travel too far along the road to socialism. Mind you, socialism is nothing new. If time and Mr. Speaker would permit I could trace socialism back for hundreds of years, and show that it has always destroyed the civilization of its day. It may do the same thing again unless we are alive to what it really means, and unless we decide whether we are to have our people reduced to a point where they are subservient to the government, or whether the government is to remain the servant of the people. So that to-night I am simply trying to place myself on record as believing in public ownership. I am also in favour of a limited development in the matter of crown companies, as long as certain protection is given and the right of taxation is admitted. If we are to embark upon something of this kind I believe the sooner we recognize these factors and give them thought and study, the better it will be. It appears to me that we are now just about in the position in which the Minister of Veterans Affairs is, when he said that he is both for public ownership and for private enterprise. No one can find any grave fault with that statement, if he can work it out in practice. But when we do come to work it out in practice, will it give the individual an equal opportunity against equal odds? And the odds at the present time are in favour of those who do not have to bear a share of the nation's costs.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, time is short, and I have only a few words to say. I rise to-night for only two or three reasons. In the first place, my honourable and jovial friend, the Minister of Veterans

Affairs (Mr. Mackenzie) said this afternoon that the speech made by the hon. member for Vancouver South (Mr. Green) was most stupid and fascist—

An hon. MEMBER: No; fatuous.

Mr. ROSS (St. Paul's): I thought he said fascist, and I take exception to that. I must apologize if the minister did not say "fascist". I thought my colleague from Vancouver South made a well-reasoned, plain and well-ordered speech, and my only complaint is as to the fact that the Minister of Veterans Affairs described the speech as stupid. After listening to him, the only conclusion I must come to is that the minister is much more stupid than the hon. member for Vancouver South.

Replying to the hon. member for Peterborough West (Mr. Fraser), the minister said that the bill did not allow the setting up of crown companies. Of course it does; at least as I see it it does. How can you run a company without getting money for it? That is what this bill does. It says that any of these companies may be formed under part I of the Companies Act. They can get money from this measure, up to a million dollars.

So that the minister can go on and on and on, creating company after company, without coming to parliament at all. He has the money for it right there; only it is just a million for each company. But he can have as many millions as he likes by creating companies.

I object to the bill because it is the inalienable right of a member of the House of Commons, one which dates back to the times of Charles II, to take one's grievance to the foot of the throne. Since that time a member of the House of Commons has been given that right. For instance, that is what we do when we pass the estimates, the current issue of which I hold in my hand. Why not have many more companies? For instance, let us look into these estimates and turn first to the Department of Agriculture. Why not have a company to control the experimental farm service? Had we such a company, the ministry would not have to come to parliament at all; the minister would just take the money.

Then, let us turn to the insurance branch. Let us have a little company for that branch. I could go on. We are keenly interested in this, because the minister says that these statements of the companies are brought down every year. I have not yet seen a statement of Wartime Housing Limited, nor do I know if one has ever been published. Of course we shall be told that everything is all right, and that we are doing it for a purpose. I do not know whether they operate at a profit or a loss.

Speaking about companies, the minister said that the system of bookkeeping was inadequate. Well, I have sat in the house for almost eleven years, and I have not yet found out whether the Post Office Department makes a profit or a loss. Money seems to go in one way and out the other. I do not know just how it is done.

Then, let us go on, because there is more here. For instance, as I have said, we shall have a little company to operate the post office, others to operate other departments. If we did, then they would not have to come to parliament for money, because they would simply get $500,000 to begin and another $500,000; that would be a million dollars between the two parts of the bill. Of course, that is just a start. When we get along a little farther they will be more ambitious; and when they find it so easy to get money in that way, without any kick from members, without any criticism on the estimates, they would just go on forming more companies.

I doubt if the Minister of Agriculture (Mr. Gardiner) would ever ask for a company to run his show, although I do not know about some of the other ministers. You see, first of all, we have ministers; then we have parliamentary assistants, and now the job is getting so big we are going to have boards of directors for these companies. Indeed, after a while we shall have more people directing companies than are employed by them.

I do not think we are far apart in this matter. The hon. member for Vancouver South put it plainly when he said that if the minister wishes to incorporate a company he should put it in the bill. Let him come to parliament with a separate bill for each company, in the regular way. What objection could there be to that? We could have discussion; it would always be out in the open, and no one would be subject to criticism. Then, too, we would be preserving our rights as members of the House of Commons.

I, for one, do not intend to give up my right to criticize when the government asks for money. That is a most precious right. We relinquished that right to a certain extent during the war, because at many times in those years we were very careful about our criticism of the government, and the government knows that very well. We in the opposition had to be careful of what we did, and even then we were called saboteurs of the war effort because sometimes we criticized what the government was doing.

On motion of Mr. Ross (St. Paul's) the debate was adjourned.

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

Tuesday, June 4, 1946.

The house met at three o'clock.

VACANCIES

Mr. SPEAKER: I have the honour to inform the house that I have received notices of the vacancies which have occurred in the electoral districts of Pontiac, province of Quebec, and Portage la Prairie, province of Manitoba, and I have issued my warrants for writs for new elections in these electoral divisions.

HOUSE OF COMMONS

WOMEN IN ATTENDANCE IN THE GALLERIES—WEARING OF HATS

Mr. SPEAKER: With reference to the question asked by the hon. member for Qu'Appelle in connection with ladies having to wear hats in the galleries, which reads as follows in *Hansard* of May 29, page 1984:

There is a matter I wish to draw to the attention of the acting house leader, the Minister of Veterans Affairs. It has been the custom not to allow women in the gallery without some kind of head covering. So many women go everywhere now without hats that the observance of this regulation is enforcing indignity on this house . . .

Pursuant to this question I made the following statement:

As the question asked by the hon. member concerns the house, I suggest that she put her question to the Speaker, but not from the floor of the house, as it is against the rule. I shall be very glad to give it consideration.

After a few days of meditation and mature consideration I have prepared the following statement:

The practice of requiring women to wear hats in the galleries of the House of Commons was probably borrowed from what was until recently the practice in all churches. Indeed in the churches it may very well have been looked upon as a rule promulgated by Saint Paul, both in the first epistle to Timothy, in which he recommends that—

—women appear in churches in decent apparel, adorning themselves with modesty and sobriety, not with plaited hair, or gold, or pearls, or costly attire, and that they learn in silence . . . But I suffer not a woman to teach nor to use authority over the man: but to be in silence.

—and also in his first epistle to the Corinthians in which he ordered:

Let women keep silence in the churches: for it is not permitted them to speak, but to be subject as also law saith.

The fact that women have now become eligible to the House of Commons and been given the right to speak their minds there, even if it does involve "teaching and using authority over the man," shows that the church rules need not necessarily apply to parliament.

As a matter of fact I am informed that the Church of England dispensed during the war with the rule that women appear in church with their heads covered, and that it is not apt to be reestablished there. As far as this house is concerned, I have made enquiries and I have found that there never was any written rule about the matter. I am not disposed to adopt any severe decree; for I think it is advisable to leave the decision to the ladies themselves. I am sure that whether they are covered or hatless their presence in the galleries will always be welcome.

INDIAN ACT

CONCURRENCE IN SECOND REPORT OF SPECIAL JOINT COMMITTEE

Mr. D. F. BROWN (Essex West) presented the second report of the special joint committee of the Senate and the House of Commons, appointed to examine and consider the Indian Act, chapter 98, R.S.C., 1927, and all such other matters as have been referred to the said committee, and moved that the report be concurred in.

Motion agreed to.

JAPANESE IN CANADA

PETITION OF RESIDENTS OF BRITISH COLUMBIA URGING REPATRIATION

Mr. THOMAS REID (New Westminster): Mr. Speaker, I desire to lay on the table a petition signed by thousands of residents in British Columbia urging the repatriation of Japanese. This petition comes from the Japanese repatriation league, and reads:

To the Honourable the House of Commons in Parliament assembled:

The petition of the undersigned of the province of British Columbia humbly sheweth:

That your petitoners view with alarm the fact that approximately two-thirds of the persons of the Japanese race in Canada are still in the province of British Columbia and that a very small number have been resettled east of the Rocky mountains on a permanent basis.

That your petitioners are unalterably opposed to persons of the Japanese race being permitted in the said province which is a natural defence area for Canada in the event of war on the Pacific.

Wherefore your petitioners humbly pray that your honourable house may be pleased to enact such measures as may be necessary to make certain:—

1. That persons of the Japanese race shall not be permitted to reside in the province of British Columbia.

2. That all persons of the Japanese race not permanently resettled east of the Rocky mountains are repatriated to Japan or resettled in

territory in the Pacific ocean under the jurisdiction of the united nations or whatever international organization may be founded.

And your petitioners as in duty bound will ever pray.

Dated the 1st day of March, A.D. 1945.

This is only one of a number of petitions that will come to the house.

STRAIT OF CANSO CAUSEWAY

REPORT ON BORINGS AND SURVEYS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): May I be permitted to direct a question to the Minister of Transport. On March 22 of this year the minister intimated that he might be in a position at the end of May to make a statement with regard to the progress being made in the development of the causeway project across the strait of Canso. Can he make a statement now?

Hon. LIONEL CHEVRIER (Minister of Transport): The hon. gentleman was good enough to send me notice of the question. I have a statement which I am happy to give him now. The present position of the Canso investigations is as follows:

1. A good subsurface survey of the site of the causeway is completed.

2. Five borings to rock have been made at the lock site at the west end of the causeway.

3. One boring to rock has been made at the east end of the causeway.

4. A proposal to put down five borings in the central section of the causeway from J. P. Porter has been accepted and material therefor has been ordered by the contractor. Work should start in the near future.

5. The above proposal includes two borings on the site of a possible bridge.

6. A subsurface survey on the sites of new terminals on either side of the strait is completed.

7. Much field work has been completed in study of possible railway diversions.

8. Four borings have been completed on the possible site of terminals at Steep Creek and on the shore opposite.

9. A barometric reconnaissance survey of the country between the Sunnybrae line and Antigonish-Mulgrave line has been completed and an excellent low grade route has been found for connecting these lines.

10. The geological survey have given us a new report on the territory in the vicinity of the causeway and the availability of material for its construction.

The services of Mr. S. W. Crowell of Amherst have been secured and a survey party headed by him will be in the field in one week's time if all goes well. During this summer we expect to spend about $45,000 on borings and $15,000 on surveys. We shall probably complete our work in September.

LABOUR CONDITIONS

TYPOGRAPHICAL UNION—SOUTHAM NEWSPAPERS

On the orders of the day:

Mr. ALISTAIR STEWART (Winnipeg North): I wish to direct to the Minister of Labour a question of which I have given him notice. What steps are being taken by the federal government to settle the dispute between the typographical union and the newspapers concerned?

Hon. HUMPHREY MITCHELL (Minister of Labour): For the information of the hon. member for Winnipeg North and other hon. members regarding the stoppage of work in three newspapers published by the Southam Company—I speak now of three only; there may be others to-day that I do not know of,—the Ottawa *Citizen,* the Hamilton *Spectator* and the Edmonton *Journal,* the employees affected are members of the international typographical union. The work stoppage at these points has its basis in a similar stoppage which has been in progress at Winnipeg since November 8 of last year, affecting the Winnipeg *Tribune,* also published by the Southam Company, and the Winnipeg *Free Press,* published by the Sifton interests.

In Winnipeg, basically the issues were the union's policy that its international law is not subject to arbitration, et cetera—and when I say "et cetera" I refer to the regulations set in motion by the respective governments of this country—the forty-hour week and payment for overtime if the union could not provide labour under its closed shop agreement. Unfortunately the situation had deteriorated to such an extent in Winnipeg by the time it reached the attention of my department that the appointment of two industrial disputes inquiry commissions and the holding of several conferences in Ottawa did not bring about a settlement.

The chief reason why my department intervened in the dispute was to prevent its extension to other newspapers of the Southam and Sifton chains. The Southam Company is taking the position that each of its local newspaper managements has control over local newspaper policy and labour relations. The union's position is that certain basic labour conditions must apply in all newspapers operated by the company. Apparently its individual managers in the Ottawa, Hamilton and Edmonton newspapers would agree to the pro-

posals of the union, but no agreement can be reached in regard to the Winnipeg newspaper of the company.

My department has been in touch with the minister of labour of Ontario concerning the stoppages affecting the Ottawa and Hamilton newspapers. With regard to the Edmonton newspaper, my department has no jurisdiction in the province of Alberta.

LUMBER INDUSTRY—STRIKE IN BRITISH COLUMBIA

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): May I direct a question to the Minister of Labour? Is the minister in a position to give us any information with regard to the strike of the international woodworkers of British Columbia? My reason for asking the question to-day is that there were indications last night that work may have been resumed to-day.

Hon. HUMPHREY MITCHELL (Minister of Labour): As my hon. friend and those interested know, Mr. Justice Sloan rendered his report on Saturday. I received it on Monday. I do not think it is necessary for me to give the details of his decision. The operators have already accepted the report. The men's organization have asked until Wednesday of this week to consider it. I can understand that, because they have to get in touch with their membership, which takes a little longer than with the employers. I hope that both sides will have the good sense to accept what I call a very fair report. It is not often that I use an expression of that kind in the House of Commons. I always endeavour to walk down the middle of the road.

Mr. COLDWELL: To sit on the fence.

Mr. MITCHELL: Well, that is all right. I believe it is sensible, it is fair, and it is sound. I hope that the I.W.A. will have the good sense to see to it that they recommend it to their membership so that the necessary assistance can be given to farmers of British Columbia in connection with the forthcoming crop in that province.

Mr. CRUICKSHANK: I did not hear the last part of the remark of the Minister of Labour. Did he refer to the farmers of British Columbia, and if so would he repeat that portion of his statement? It may save my asking another question.

Mr. MITCHELL: I know what my hon. friend is interested in, and I said, "and to render the necessary assistance to the farmers of British Columbia." Goodness knows they have been long suffering.

USE OF EMPLOYMENT SERVICE TO RECRUIT MEN TO REPLACE STRIKING SEAMEN

On the orders of the day:

Mr. D. A. CROLL (Spadina): I should like to direct a question to the Minister of Labour. In dealing with the seamen's strike, is the national employment service employing personnel to man the ships at the present time?

Hon. HUMPHREY MITCHELL (Minister of Labour): I wish to say to the hon. member for Spadina that officially I know of no instance in which our employment offices are being used for the recruiting of men to take the place of members of the Canadian seamen's union who are on strike through a dispute with the lake boat operators. If an operator filed a request with one of our employment offices for men to work on lake boats, the office would canvass those looking for jobs, and if they were interested in taking the job they would be cautioned that there is a strike and that they were taking these jobs to replace men on strike. Printed instructions have been given to managers of all our offices to explain this point to the men referred to jobs under these circumstances.

IMMIGRATION

DISPLACED PERSONS—BRITISH TRADE UNION PROTESTS AGAINST ADMISSION TO BRITAIN

On the orders of the day:

Mr. H. W. HERRIDGE (Kootenay West): I wish to address two brief questions to the Minister of Mines and Resources. Will the displaced Europeans and others mentioned in the minister's statement to the house on changes in the immigration regulations, Wednesday, May 29, have preference in time of admission to Canada over thousands of British ex-servicemen and women who have indicated their desire to come to Canada at the first opportunity? Has the minister any information concerning protests of British trade unions against admission to Great Britain for employment there of displaced persons mentioned in his statement?

Hon. J. A. GLEN (Minister of Mines and Resources): The hon. gentleman sent me a copy of his questions. The answer to the first question is no. The controlling factor in the movement to Canada of admissible immigrants from the British isles and the continent of Europe is passenger accommodation. This was referred to in my statement

to the house on May 29. Immigration facilities for the admission of British subjects are now available; there is practically no movement of immigrants other than the dependents of our service personnel, simply because there is no steamship accommodation for them. Immigration facilities have not yet been provided for the examination of immigrants at continental ports, for the reason that there is no passenger service to Canadian ports. It will be recalled that on Wednesday last, when referring to immigration from the continent, I said that it is proposed to re-establish inspectional facilities on the continent as quickly as circumstances permit so that as transportation becomes available imigrants of the admissible classes may come forward.

The answer to the second question is no.

CONFERENCE WITH PROVINCES

QUESTIONS AS TO RECONVENING

On the orders of the day:

Mr. W. R. THATCHER (Moose Jaw): I should like to direct a question to the Acting Prime Minister. I am sorry I did not give him notice, but if he is not in a position to answer to-day, perhaps he would do it to-morrow. Has the government considered the advisability of reconvening the dominion-provincial conference? Have representations been received from any province asking that it be reconvened?

Right Hon. J. L. ILSLEY (Acting Prime Minister): I intend to deal in my budget speech with the matter referred to in the hon. member's questions.

Mr. GRAYDON: When will that be?

Mr. COLDWELL: When may we expect the budget?

Mr. ILSLEY: I shall announce that date just as soon as I am in a position to do so.

COAL

QUESTION AS TO MEETING NEXT WINTER'S REQUIREMENTS

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I should like to direct a question of the Minister of Reconstruction. It arises out of a statement made by the deputy coal controller, Mr. Ian MacLaren. He said that widespread unemployment would result next winter because of the coal shortage. He said that it is not possible to assess fully the tremendous damage that the recent bituminous coal strike has caused Canadian industry, because of the possible shortage of 5,500,000 tons of coal. Would the minister comment on what his associate, the deputy coal controller, has said, and give us some idea of what our people are to have in the way of coal next winter?

Hon. C. D. HOWE (Minister of Reconstruction and Supply): The statement of the coal controller is quite correct. We are behind in normal shipments of coal from the United States to the point of about five and a half million tons. The fact that there is a seamen's strike on the great lakes is putting us still farther behind. It seems impossible that we can make up the shortage between now and the time that coal will be required. We are doing the best we can. It is quite useless to ask me to-day where we shall stand next December. I have not the faintest idea, but I can assure hon. members that anything that can be done will be done to provide heat for domestic users and for industry during the next cold season.

Mr. ROSS (St. Paul's): If I may ask the minister a further question, is anything being done to get coal from Alberta, for instance? What effort is being put forward as far as that is concerned?

RADIO BROADCASTING

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

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

That the name of Mr. Maloney be substituted for that of Mr. Leger on the special committee on radio broadcasting.

Motion agreed to.

GOVERNMENT COMPANIES

OPERATIONS AND FINANCING—SUPERANNUATION AND PENSION PROVISIONS

The house resumed from Monday, June 3, consideration of the motion of Mr. Howe for the second reading of bill No. 155, respecting the operation of government companies.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, the hon. member for Vancouver South (Mr. Green), speaking yesterday in the debate on the motion for second reading of this bill, called attention to one of the objections to it, in that no provision is made for the payment by crown companies of any taxes, federal, provincial or municipal. I intend to devote my brief remarks this afternoon to that aspect of the bill before us, and that aspect only. I believe it is of interest to hon. members on both sides, since I notice on the order paper in the name of the hon. member for Vancouver North (Mr. Sinclair)

a notice of motion referring to the heavy and unequal burden that is placed upon certain municipalities by these tax exemptions. This comes pretty close to home, because just across the border from my constituency is a small municipality of some 1,500 ratepayers. This I will use as exhibit A to show the burden which may be placed upon a small municipality which has within its borders a large number of government-owned buildings.

I desire to refer to the municipality of Esquimalt as the example, I might almost say the horrible example, of a small municipality which is throttled by the octopus of government-owned tax-free property. Out of a total assessment on land in 1946 of $2,000,000, nearly $700,000 is crown property. Referring to the improvements on this land, out of a total assessment of $11,000,000 for improvements, $9,000,000 is represented by improvements on crown properties which were erected prior to the outbreak of hostilities. That figure does not include improvements which have been erected during the years of war. It is impossible to give an accurate estimate of what those improvements might amount to, but a rough estimate would easily place them at an additional million dollars. Disregarding those improvements and dealing with the land alone, this small municipality suffers an annual loss of $22,912 at the present mill rate. During the war many of the choicest building sites and waterfront locations were expropriated by the government for the construction of crown properties, and in this connection there is an annual loss of revenue amounting to $7,500 from land which has been appropriated.

It is of little value to say that the wages paid those employed in these government owned properties increase the wealth of the merchants of the community, because that is not so. Those working there are principally men connected with the services. The navy have their barracks and the army have their fortifications in the municipality of Esquimalt. If these men are married they have their families living in the nearby city of Victoria. When they wish to spend their money for recreational purposes they do so either within their own barracks or in the city of Victoria. Yet this small municipality has to maintain a road system which carries much heavier traffic than it was designed to carry, because of the government-owned properties now located within its boundaries; it has to maintain additional police services; it has to look after the additional garbage, lighting, and perhaps hospital and school services.

I do not intend to elaborate on this; I merely want to say that this municipality is an example of what may happen if a small community finds itself with a large number of government buildings or crown companies established within its boundaries. The municipality of Esquimalt will wonder how far these crown companies are going to be extended. They will look tc their ship yards and to their dry docks. They will ask whether these ship yards, now run by Yarrows, are going to be turned into a crown company, and if so, will they be free of taxation. I believe that if hon. members of this house will consider the position in which Esquimalt has been placed for many years; if they will realize the burden borne by the municipal council, which has not been able to find any solution to the problem though in past years appeals have been made to this government for grants, they will think twice about giving the government carte blanche in regard to the establishment of crown companies in other small communities.

As I said, I intended to deal with only this one phase, because I feel that other phases have been dealt with adequately and effectively by other hon. members. Therefore I rest my case at this point and ask hon. members to bear in mind the example I have given. This is not the place to suggest remedies for the particular situation at Esquimalt. That I intend to do on a later occasion.

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, some remarkable attributes of the present bill have been brought to light in the course of the debate. If one is to judge by the effect it has had upon certain quarters of the house, then indeed it is a most versatile bill. It is an inspiring bill: it inspired the hon. member for Vancouver East (Mr. MacInnis) last night to deliver a eulogy on socialism and on the minister who introduced the bill. It inspired the Minister of Veterans Affairs (Mr. Mackenzie) to embark upon a eulogy of the minister, and upon what he, I am sure, on calmer reflection will wish he had not indulged in, namely, comments of a personal nature on the observations made by an hon. member on this side of the house when that hon. member urged that the house do not give second reading of the bill.

Reading *Hansard,* I find in the remarks last night of the Minister of Veterans Affairs that he invited me not to participate in the debate at that particular juncture. Were he in the house at this time I should have liked to assure him that my failure to participate in the debate at that point was in no way attributable to his invitation. In fact if his remarks had not been lost in the din in the house at the time, I should have been most happy to participate then.

I should like, if I may, to contribute by way of clarification of the essential issues presented on the motion for second reading of the bill. I regret to say that those essential issues have been greatly beclouded during the debate.

Mr. HOWE: Hear, hear.

Mr. FLEMING: I am glad the Minister of Reconstruction (Mr. Howe) agrees with me. I should like to dispel those clouds, so far as I can, and direct our thoughts to what exactly is involved in the bill before us and what is the principle thereof.

The justification offered by the Minister of Reconstruction for the bill, as stated by him in the course of his observations on the resolution, is that the method of joint stock company administration is a more useful vehicle in the administration of enterprises of certain kinds carried on by the government than is direct administration under his department. That, I take it, is the gist of the minister's remarks, and the reason he has given for introducing the bill.

I would ask hon. members to look farther and to see that that is not the issue on which the house is now deliberating. The issue presented by the bill is not whether the method of joint stock company administration shall be preferred in respect of certain forms of government enterprise to direct administration by a government department; rather, it is the issue as to whether parliament shall hand over to a minister the power to continue to set up crown corporations and to finance them without specific reference to the house having been made in advance. That is the issue.

It is all very well for the minister to make a speech outlining the advantages of the corporate form of administration. But again, that is not the problem presented by the bill. We can have those advantages and at the same time stay within the four corners of the sound principles laid down last night by the hon. member for Vancouver South (Mr. Green) in his most useful and thoughtful contribution to the debate. He made it clear—and I ask hon. members to underline what he said—that in any specific situation in which the Minister of Reconstruction or any other member of the house thinks administration can better be performed by a joint stock company controlled by the crown than by direct administration under a department, then the house is prepared to review that situation and that proposal on its merits; and, if satisfied that the company form of administration is to be preferred it will give effect to the minister's request. But I take it, Mr. Speaker, that we are not prepared, without regard to such situations as may arise, to hand over holus-bolus to the government the power to go on setting up and financing crown companies—

Mr. McILRAITH: There is no such power in this bill.

Mr. FLEMING: —without reference to parliament. In other words the principle put forward by those of us who oppose second reading is this, that parliament must retain control. It must be for parliament to decide whether in any particular situation a crown corporation is to be set up. That, we think, is the parliamentary method; that, we think, is the sound democratic way of meeting the problem.

The government may be assured parliament will give careful study to any such bill presented. Indeed, parliament has already given proof of its willingness to give careful consideration to proposals for the incorporation of crown companies on a statutory basis. For instance, at the last session of parliament we passed a bill to incorporate the Central Mortgage and Housing corporation. Parliament gave consideration to that bill, approved the principle on the whole, and in that particular instance established a statutory corporation. Other corporations have been established in the same way. Surely the names of at least half a dozen corporations spring to one's mind when one thinks of crown corporations established under special acts. One thinks immediately of the Canadian National Railways; one thinks of Trans-Canada Air Lines; one thinks of the Canadian Broadcasting corporation. I draw attention to the fact that order No. 21 on the order paper is a resolution standing in the name of the Minister of Trade and Commerce (Mr. MacKinnon) setting out a proposal to establish a corporation to be known as the Canadian Commercial corporation. It would not be proper for me to make any comment on the merits of that resolution, but I do say that the method is sound, and that the Minister of Trade and Commerce is in that respect following a sound course. In the bill now before us the Minister of Reconstruction and Supply is following an unsound and unparliamentary course. I have placed before the minister these various examples of statutory corporations, the establishment of which parliament has approved, and I point out to him that it is a method which ought to be followed in all cases.

Does the minister say there is no danger in this bill? That, I take it, will be one of his arguments. As a matter of fact he will be hard put to it to convince the house that there is no socialistic danger in the measure,

in view of the eulogy, concerning the bill and the minister who introduced it, delivered in the house last night by the hon. member for Vancouver East. I do not believe that at this session of parliament, or in the first one, we ever listened to such transports of delighted oratory as we listened to last night from the hon. member for Vancouver East. It seemed as though the millennium had arrived. I thought he was about to burst into a *nunc dimittis*. Actually it seemed that the bill gave him everything he had been waiting for so long, everything he had been praying for, as an advocate of and a believer in complete socialism.

I fancy that having delivered that speech the hon. member for Vancouver East must have realized that it presented some embarrassment to the minister whom he had so fulsomely eulogized. It will not have escaped the notice of the house that the next member of the C.C.F. who spoke, the hon. member for Qu'Appelle (Mrs. Strum), was quite restrained in her favourable comments on the bill. As a matter of fact the tone of the remarks of the hon. member for Qu'Appelle was to this effect: Oh, well, after all, this bill has a quite limited application; if you look at the minister's remarks you will see he intends to exercise these powers only for the purposes of continuing the three corporations, Polymer, Eldorado and Canadian Arsenals Limited, which now owe their existence to orders in council. The reason is obvious. The minister must have been embarrassed by the eulogistic oratory of the hon. member for Vancouver East, and the apparent purpose of the hon. member for Qu'Appelle in speaking was to play down somewhat the effect of the bill.

I listened with interest to some of the remarks from the opposite side of the house. It was suggested that the view put forward by the hon. member for Vancouver South was based on a complete antipathy toward government ownership. Obviously that was not a fair interpretation of the remarks of the hon. member for Vancouver South. Where a situation calls for incorporation by statute of a crown company, then I take it that all parts of this house are prepared to entertain such a measure, review it and bring their best judgment to bear upon it. But it is the view of those of us who sit in this part of the house, and perhaps it is also the view of the Social Credit group, that in such a situation this House of Commons is going to see fair play for those who may be adversely affected by the bill. In this instance I am thinking particularly of the municipalities.

There have been some who have expressed the view that if this bill should be adopted we might expect corporations to be set up by a number of ministers. It may be a perfectly sound view, but I am more disposed to think that the Minister of Reconstruction will retain control in his own department of all corporations which are likely to be set up. I say that because he has retained to himself the two corporations which have fallen most closely under his administration by taking them out of the control of the minister who presides over the department to which they are assigned by statute. I refer to his having retained control, when he gave up the ministry of transport, of Trans-Canada Air Lines and radio broadcasting. I think it is not unlikely that if the Minister of Reconstruction should go on incorporating companies and proceed to take over the responsibility of some other portfolio, he will take with him into the new department all companies incorporated under this measure.

It is not enough to have assurances as to any limitation of intent on the part of the minister. I am confident that when the Minister of Reconstruction rises to speak he will say again to the house: We have in mind at the present time only three comapnies, the three I have referred to; it is not our thought at the moment to extend in the next two or three years others of the thirty-one corporations set up under orders in council during the war. That may be his view at the moment, but I suggest it is the duty of this house to go much farther in testing the propriety of giving endorsement to the principle of this bill.

The minister asks for broad powers, but does not think he will use them all; that is the pith and substance of the view which has been put before the house by the government. I suggest that that should be enough to defeat this bill in principle. Parliament has no business whatever giving powers to the government for which the government cannot make out an appropriate case right now or within the period that may expire before the next meeting of this house.

The minister says in effect: this gives us general powers for the future to bring new corporations into existence; it is general in its application. I say that that is not good enough. When the minister makes out a case, as he considers he has, for the continuation of three crown corporations, then I say his case is confined to the continuation of those three companies. The proper method for him to follow would be to bring in three separate measures providing for the continuation of the corporate existence of those three companies. This method would be in keeping with the sovereignty of parliament.

It is not good enough to have the statement of the minister to the effect that there has been a good deal of exaggeration of the effect of the bill. That is no answer to the clear argument, based on the terms of this bill, that the bill gives to the minister sweeping powers which this parliament ought not to be handing over to any minister. There is not a dictatorship on the face of the earth that did not begin as a benevolent dictatorship. Dictatorships never get an opportunity even to begin except on the basis of being benevolent. I do not suggest that we are going to open the way to a dictatorship of the kind that was defeated at the hands of the united nations in the recent conflict, but we have to have regard for the dangers inherent in a bill of this kind. There are always those, such as our friends of the C.C.F., who are ready to repeat the old, old story, "It can't happen here." If enough bills of this kind are introduced, if powers as sweeping as these are given to enough ministers, it can happen here. It is our duty as the House of Commons to see that it does not become possible for dictatorship in any form to happen here in Canada.

Let us have regard to the particular scope of this bill. As was pointed out by the hon. member for Vancouver East, this bill and the two accompanying bills—one having to do with the incorporation of an atomic energy control board, and the other having to do with an amendment to the National Research Council Act—form a pattern. The other two bills give those bodies, with the approval of the minister, the widest possible powers to set up crown corporations. This bill will permit the governor in council to finance crown corporations to the extent of a million dollars each, half a million dollars for capitalization and half a million dollars for works. There is the pattern.

Are they limited in the field they are to cover? The bill before us does not tie the government down to any particular field. Whenever the government holds the power to establish a corporation under part I of the Companies Act, it will at once be able to apply all the provisions of this bill. There is no limitation as to the field; the field is broad, as broad as Canada. If other ministers obtain power by statute, or by order in council having the force of statute, to set up corporations within the ambit of their respective departments, all the provisions of this bill can be put into effect by them in the way I have mentioned. Every power provided by this bill will under those circumstances be enjoyed by every minister with respect to every corporation whose stock is owned completely by the crown. That is the situation in naked fact.

I am not commenting on the methods of administration of certain fields of public enterprise. I have made it quite clear, Mr. Speaker, that I am dealing with the principles presented; with the question whether this House of Commons should hand over to the minister these broad powers without reference to parliament. In one interjection he made last evening the minister sought to indicate that this bill of itself does not create the power to establish the companies. He indicated that the scope of the bill is confined to financing such companies and clothing them with certain additional powers not related to the original incorporation. Now, let us examine that—not, I trust, in any spirit of hair-splitting, but having regard to the realities of the situation.

We have at the present time, or have had established by order in council under the authority of the War Measures Act, thirty-one companies which came into existence by what I understand to be the following method. Under authority of the War Measures Act the governor in council passed an order in council authorizing application to be made to the Secretary of State under part I of the Companies Act for incorporation of a company for certain purposes and under a certain name. Those corporations came into existence by letters patent. At the present time, we are told, twenty-six of them are in the course of being wound up and their charters surrendered; two are to continue for a limited period, and three for an indefinite and perhaps permanent period.

Now, if this bill does not give, as the minister seems to suggest, power to incorporate companies, it certainly does not give power to continue companies in existence. The three corporations to which we have referred particularly—and we might include the two others, Wartime Housing Limited and Park Steamships, which are to continue for a period of several years at least—these five corporations must find, on the minister's argument, some basis for continuing their corporate existence. Where do they get it? Are they to go on simply on the basis of having been brought into being under part I of the Companies Act pursuant to an order in council passed under the War Measures Act? If they do, I cannot square that with the proposition that the minister suggested last night in his interjection. If this bill does not give power to establish or incorporate companies, it does not give power to continue those corporations; and I am arguing that either the Minister of Re-

construction is going to carry into peace-time corporations which owe their existence entirely to an order in council passed under the authority of the War Measures Act, or he must come back to parliament in the case of each of these companies for a special act continuing or giving statutory authority for the continued corporate existence of these three companies. If the second alternative is correct, and the minister must come to parliament for authority to continue those three corporations, would not the sensible course be that suggested by the hon. member for Vancouver South, namely, to introduce in the case of each of these companies a separate bill and to get away entirely from the vice of the bill which is now before us?

If the first alternative is the one on which the minister relies, namely that crown corporations brought into existence in war-time pursuant to authority contained in an order in council passed under the War Measures Act, can continue as such, then I think it is quite clear, certainly to every lawyer in the house, that he has similar powers under the National Emergency Transitional Powers Act passed at the first session of this parliament. And if he has powers under that—which I think is clear to all, if his reasoning is correct—the governor in council has the power right now to go along setting up more crown companies under the authority of that act, bringing them into existence with the machinery contained in part I of the Companies Act. There is the situation. If the minister is correct in saying that this bill does not permit the incorporation and the bringing into existence of new corporations, he still has that power under the emergency legislation passed at the first session of this house; and it is clear, on the record of this government, that the minister will not hesitate to use that power if so minded in any particular situation.

That is not the whole story, either. I am pointing out the breadth and the scope of this bill if we approve it in its present form. If we approve it, what is the other aspect? It is this, that there are two other bills which are being considered along with this bill. Both bills make provision for the incorporation of an unlimited number of limited companies. I ask you to have regard in that respect to the words used by the Minister of Reconstruction himself at page 1897 of *Hansard*. He was then dealing with the bill to empower the national research council to establish crown companies with the approval of the minister himself. When the minister was asked as to the extent and the scope of this provision, how far it was intended to extend it or within what area it was intended to confine it, what did he say? These are his words:

> I have no desire to limit the number of companies which the research council can have. If it needs twenty, then it should have twenty.

And, Mr. Speaker, by parity of reasoning, under the measures now before this house you can have scores and scores of companies set up under these acts, power being given under the bill now before us to finance them up to the extent of a million dollars apiece without reference to parliament, and thus to transact a substantial part of the business of government in this country without reference to parliament in advance, without seeking parliamentary approval, and for that matter, to embark on an excursion into socialism without consulting parliament. That is the naked reality of the principle of this bill. There is no escape from it, and it is not good enough for the minister to say: Well, I do not intend at the moment to give it that wide application. That is not good enough. The minister has no right to ask parliament for these broad powers when no present justification for them exists. We say, Mr. Speaker, that the proper method in any particular situation requiring it is the creation of a statutory corporation.

I want to say a word on one particular vice of this bill which has been already referred to by certain hon. members. We are being asked to give the governor in council power to establish an unlimited number of crown companies for purposes which are not disclosed, and to do so on the basis that not one of these crown companies shall be subject to taxation by a province or a municipality—yes, more than that, shall not pay anything by way of taxes to such bodies. I asked the Minister of Reconstruction and Supply in the committee stage of this bill if it was not the intention of the government to insert a provision in this bill that such corporations should submit to taxation, should agree to pay amounts in lieu of taxes to municipalities in which they might acquire property; and the minister said, no. I want to deal with that for a moment.

The hon. member for Vancouver South has dealt with the situation in the city of Vancouver. The hon. member for Nanaimo (Mr. Pearkes) has dealt with the situation in Esquimalt. That situation is duplicated many times over in the municipalities throughout the length and breadth of this country. Take for instance the city of Toronto. At the present time property owned by the crown in the right of the dominion in that city, including crown companies, totals $15,187,981—over $15 million.

Mr. HOWE: I suggest that no crown company owns any property in Toronto not subject to taxation at the present time.

Mr. FLEMING: I wish to deal with certain situations in Toronto—

Mr. HOWE: You included crown companies.

Mr. FLEMING: In the short space of time at my disposal it was not possible for me to get a break-down as between crown companies and government-owned property, but if the minister says that it is all government-owned property, I thank him for the information. I submit, however, that the same principle ought to be applied to government-owned property as to property owned by crown companies. It imposes an unfair burden upon the municipalities for the government to acquire or expropriate property and have it exempt from taxation by the municipality while other property owners in the municipality have to pay their share of taxation. It is putting an unfair burden upon the municipalities when they have to provide essential municipal services.

Mr. COLDWELL: May I ask the hon. gentleman a question?

Mr. FLEMING: I have only five minutes left, and I should like to proceed.

Mr. COLDWELL: I wish to ask the hon. gentleman—

Mr. DEPUTY SPEAKER: Order. No questions may be asked without the consent of the hon. gentleman who has the floor.

Mr. COLDWELL: What about the C.P.R.? What about church property and other property of the kind?

Mr. FLEMING: If the hon. member for Rosetown-Biggar is inquiring about churches, I am not dealing with that question.

Mr. COLDWELL: I also said the C.P.R.

Mr. FLEMING: I am not dealing with churches, because they are not owned by the crown. I am suggesting, however, that the principle that property owned by the crown in the right of the dominion, and property owned by crown corporations, shall not be subject to municipal taxation, is unfair and unjust. When we have section 125 of the British North America Act quoted to us, I would remind hon. members that when that act was passed in 1867 not one of the fathers of confederation could possibly have foreseen such a situation as exists to-day, where government-owned property, growing in leaps and bounds throughout this country, is exempt from taxation by the municipalities.

Here is another situation, and I take it that this is one the Minister of Reconstruction had in mind in his question a moment ago. There is already precedent recognized by the government, indeed created by the government—aye, and recognized by this parliament—for submitting the crown or crown corporations to municipal taxation. In the resolution stage of the bill I referred to the statute enacted by this parliament to incorporate the Central Mortgage and Housing corporation, being chapter 15 of the acts of the first session of this parliament. It provides that that crown corporation may pay sums in lieu of municipal taxes on property acquired by it under mortgages. There you have the principle of a crown corporation, under those circumstances, making a grant equivalent presumably to the taxes upon its property. I come to the point which the Minister of Reconstruction had in mind, and I call it a precedent created by the government itself, because in the John Inglis plant in Toronto, where the government carried on operations during part of the war, the government paid the city of Toronto the sum of $8,500 a year in lieu of taxes.

If the principle is not sound, the principle of taxation or of payments in lieu of taxation equivalent to the municipal tax, by crown companies, why was it done in that case? Not only that, but the Toronto Shipbuilding Company was taken over by the government during the war. That was a corporation established under part 1 of the Companies Act. The government took over operations during the war and paid taxes. You have another precedent in the case of the Canadian National Railways for the payment of municipal taxes. Why not give general recognition to a principle which has already received recognition by this government, and has certainly been recognized by this parliament in the measure to which I have already referred, namely, the Central Mortgage and Housing Corporation Act passed at the first session of the present parliament?

If there is not a grave danger of socialism, a danger of sweeping governmental powers inherent in this bill then why the eulogy from our socialist friends last night? The government sitting opposite, all members opposite, were elected, if the advertising material provided by the Liberal party in the 1945 election meant what it said, on a platform of preserving the free enterprise system. Why not do it?

Mr. D. A. CROLL (Spadina): I think what is troubling my hon. friend is not so much the bill as the people who support the bill. He

is much concerned about the eulogy that was paid last night to the Minister of Reconstruction (Mr. Howe).

Mr. GRAYDON: A bill is known by the company it keeps.

Mr. CROLL: After all, if hon. gentlemen sitting across the way like the minister and are prepared to applaud him, as the rest of the country has done on many occasions, and as members directly opposite have also done, we cannot find very much fault with that. I think it is recognized that the minister made a great contribution during the war, and as a result of his experience, as a result of his knowledge, and, what is more important, as a result of his success with the department during the war, he now brings to us this particular bill.

It is important to read the resolution, because many hon. gentlemen in the house have lost sight of it. As set out at page 1908 of *Hansard*, the resolution states:

That it is expedient to introduce a measure to provide for the operation and financing of government companies, to define their status as agents to His Majesty, and to provide further for the superannuation, pension or other rights of the employees of such companies.

Now, what the bill does in effect is to bring these companies under the control of parliament. At the present time parliament has no control over these companies, and if I may refer to section 6, section 7 (3) and section 10 of the bill without reading them, I think hon. members will appreciate that these provisions indicate exactly what the bill intends to do.

Let us see whether the analogy to dictatorship, as suggested by some speakers, is applicable. The minister, who was minister of munitions and supply, had thirty-one companies under his control. Eighteen have already been wound up; eight are in process of being wound up, and five continue. If there are any gentlemen in the house who wish that these companies be done away with, this, I think, is the time and place so to declare. Is there anyone who would like to do away with Canadian Arsenals Limited, or with Polymer corporation, which cost us fifty millions and now stands at forty millions, and which even now is a paying proposition? Wartime Housing Limited, is as essential today as it was when it was first created, and the same applies to Eldorado Mining and Refining company and the Park Steamships company.

This bill does not give the minister any power. As a matter of fact, a clear reading and understanding of the bill indicates that his powers are now limited; he actually gives up powers which he formerly had and which now belong to the house generally.

Mr. MERRITT: Under what section?

Mr. CROLL: As a matter of fact, under section 10, if my hon. friend will read it.

Mr. JACKMAN: Whereabouts under section 10?

Mr. CROLL: Well, read it. There are some aspects of this bill that are encouraging; for instance, section 9, dealing with superannuation, pensions, and payment. It is well that the house should recognize that one of the great strengths of the department of munitions and supply during the war was the ability of the minister to go out into the open market and hire the best possible people he could get, pay them a decent wage and then have them do the job. This is a splendid principle if it will only show the way to the civil service commission so that they in turn may in some way find it possible to raise wages to a decent standard. The house should know that present statistics indicate that some thirty thousand of our young people, the cream of the crop—statisticians, young professional people, graduates of our universities—are flocking to the United States, going away because there is a lack of opportunity, because they cannot possibly receive compensation in accordance with their need and their requirements in this country.

Mr. JACKMAN: Liberal taxation.

Mr. CROLL: My hon. friend talks about low taxation.

Mr. JACKMAN: "Liberal".

Mr. CROLL: Liberal taxation; it has been pretty fair. It has not done too badly by my hon. friend. I have heard a lot of talk about taxation, but it is a privilege, and my hon. friend should know it, to pay taxes in a country such as Canada. A great number of people would like the opportunity to pay taxes in this country, and I have not seen anyone become poor as a result of paying taxes.

Mr. KUHL: Most of it is legalized robbery.

Mr. CROLL: My hon. friend comes from Alberta, and he knows legalized robbery when he sees it.

Mr. JACKMAN: The people of ward 2 will find out.

Mr. CROLL: Getting back to the subject, here is an opportunity for these companies to recognize some of our own Canadians and give them a chance to take positions of which they are worthy and for which they can be properly compensated.

I come back to the original point. What is troubling my hon. friends across the way, as I see it, is the socialistic danger, and the very fact that other people find something acceptable in a measure presented from this side of the house. I do not think it is a question of socialism or capitalism. It is well for my friends across the way to recognize that all capitalistic countries and nations are accepting increasing degrees of socialism. The issue is whether social development will be carried out by democratic processes in open and fair discussion, or by some other method.

This measure is presented to the house because this is the time for forceful measures; it is a time for decision, and it will be of some consequence to the country generally to know that the government intends to create companies and that these companies are carried on in the best interests of the people generally. If my hon. friends have not yet recognized that, if those of us who look upon Canada as a land of milk and honey have not recognized that, then they ought to change their views just a little and appreciate the fact that at the present time we are living in an age of licensed milk and registered honey. We are living in that sort of economy.

The question that appeals to me, and one which I have to ask myself, is whether I want the Polymer corporation, the Canadian Arsenals, the Park Steamships company, Wartime Housing and Eldorado Mining corporation to continue as is, and if my hon. friends say that that is socialism, well, then, I like it.

Mr. MERRITT: That is not the point at all.

Mr. J. S. SINNOTT (Springfield): I rise to take part in this debate although what I am about to say may not be taken very kindly by some hon. members on this side of the house. Having been the head of a municipality for a number of years I can see the difficulty which will be placed on the small municipalities and cities. I should have no objection to this bill had it contained a taxation clause which the ordinary business man has to contend with. Having seen airfields being built, having seen lands acquired by the dominion which took up the large part of certain municipalities, having seen public buildings subject to no tax, having seen roads, schools, hospitals and other services going behind in small communities, I think it is time we saw to it that the dominion government should not be so high and mighty that it is not subject to taxation.

We have to keep in mind the little fellow. After all, in Canada to-day the little fellow is paying the major portion of the taxes, and as private members of this house it is up to us to support the man who is paying the taxes. If this bill contained a clause which would make the companies subject to taxation, I should have no objection to it, because I believe there is nobody who is more capable of expanding the industry of Canada than the Minister of Reconstruction and Supply (Mr. Howe). He has had experience in war time. If we have his guidance in peace time, I think we can do a lot toward helping the poorer classes of this country. I do not see how private enterprise can compete with a business alongside of it which is paying no taxes. It is not fair to private enterprise; it is not fair to the little community in which the government business is situated. Had this bill contained such a section I would have supported it. In the present circumstances I cannot.

Mr. W. F. KUHL (Jasper-Edson): There has been a certain amount of controversy on the issue of government companies versus private enterprise. There are a few thoughts which I should like to express concerning that issue. A certain amount of support of this bill has been expressed by hon. members on the government side, but I have not yet heard a clear statement from the minister or from any of his political supporters as to the real reason why the government must set up these corporations.

Why is it necesary for the government to go into business in the manner in which they intend to do under this bill? From listening to what has gone on I have not been able to discover just how far they intend to go in the matter of setting up these corporations. As a matter of principle I should like to hear a clear-cut statement on the part of the minister as to just why it is necessary for the government to enter into business in peace time in competition with private enterprise. I think that raises a very fundamental question which has been referred to already by several members of the Progressive Conservative party; that is, whether the carrying on of business is a legitimate government function. I agree with the statement made last evening by the hon. member for Grey North (Mr. Case) who said he considered the chief function of a government was that of legislating, not entirely carrying on regulatory or administrative action. Personally I agree with that thought. I cannot agree that the carrying on of business by the government is legitimate in any way whatsoever. As a general principle I say a government should do for the people what they cannot do for themselves; and I think the people of this nation have demonstrated that they

are quite capable of conducting their own businesses. Consequently I cannot see any real reason why a government should go into any business at all during peace time.

Furthermore, Mr. Speaker, I cannot see what purpose such actions serve, what is gained by a government going into business. I have observed right along our C.C.F. friends claiming that the government must go into business because private industry has failed. I do not consider that it has failed. I believe the C.C.F. charge private enterprise with having failed because they are charging private enterprise falsely. They are holding it responsible for things for which it is not responsible. Therefore it is quite easy to charge it. Last evening the hon. member for Cape Breton South (Mr. Gillis) and others stated that we have a quarter of a million unemployed and that private industry is doing nothing about it. To hold private enterprise responsible for employment, as my colleague the hon. member for Red Deer (Mr. Shaw) stated last evening, is to hold it responsible for something for which it is not responsible. In all these discussions we should get down to a basis of fundamentals, and in considering this or any other similar bill I do not think we shall make any progress until we agree on those fundamentals. Of course if private enterprise is responsible for employment, then the socialist charge is legitimate; but I do not consider that it is responsible. On numerous occasions I have said that I consider the only legitimate function of private enterprise to be the production of goods and services, regardless of whether that requires much labour or little labour.

Some of the C.C.F. members made a few points with which I should like to deal for a moment or two. I feel that in their condemnation of private enterprise the C.C.F. members constantly confuse the use of capitalism with its abuse, when what they should do is condemn the abuse. To assert that we must abolish the use of private capital because it is abused would be equivalent to saying we must abolish the use of motor cars because very often people lose their lives through the use of motor cars. Likewise it would be just as logical to abolish the use of firearms because sometimes people are murdered through their use. So I say the C.C.F. members should deal with the abuse and should not confuse the use of capitalism with its abuse. I would not be so critical of their attitude if they were consistent in their policy, but this is what we find them doing. They condemn private enterprise; they condemn capitalism; they condemn profits and the profit motive, yet they advocate a procedure under which they except certain sections of the community from that policy. They proceed to the farmer and say: We are against capitalism; we are against private ownership of the means of life; we are against profits; but we do not mean you. Then they proceed to the small merchants and tell them the same story. Thus they go up and down the street telling people they do not mean to include them. On the other hand, however, they condemn the principle of private enterprise. My comment is that if profits and private enterprise and private ownership are wrong as a principle, they must be wrong for everybody. They cannot be wrong for some and right for others. Surely consistency should be the acid test of any philosophy; and I suggest that hon. members of the C.C.F. party consider that very seriously. If they are prepared to place all people under their general policy, then I can do nothing but submit to the will of the majority if a majority of the people in this country want complete socialism. But I think the fact that they have left out the farmer, the small merchant and many other sections of the population indicates that they are quite well aware that the majority of the people of this country believe in private enterprise for themselves.

As was pointed out this afternoon by the hon. member for Eglinton (Mr. Fleming), I believe, as far as state enterprise and government companies are concerned the government has no mandate to carry on in that fashion. If the last election demonstrated anything, it demonstrated that the majority of the people of this country still want to be their own bosses,—to manage their own affairs and to support private industry. I notice that quite frequently when that point is raised the C.C.F. members bring in the matter of Trestrail. My only comment is that surely they can rely upon the people of Canada to judge for themselves. The point with which I have not heard them deal as yet is the charges which Trestrail made in the literature which was circulated; and I think that would be much more relevant.

I believe those who supported the Liberal party, the Progressive Conservative party and the Social Credit party indicated by their support that they wanted to continue under a system of private ownership and private enterprise. But where the Liberal party and the Progressive Conservative party fall short is in not supplementing and in not advocating policies to supplement the private enterprise system in such a way that it can be made to work. They must reconcile themselves to certain fundamental changes which will permit private enterprise to function. And it can

function if certain changes are made. It is a tragedy to me to see that the country, the world in general, is being driven more and more into nationalization as a consequence of the refusal and failure of those who believe in private enterprise to make the necesasry changes. That is the greatest tragedy, that those who are the strongest supporters of private enterprise constitute its greatest danger by reason of their neglect to bring about the necessary changes which would make it function.

I believe wholeheartedly that once the basis of private enterprise and private initiative is destroyed, the basis for democracy is destroyed. I do not believe we can have any kind of democracy whatsoever once private ownership and private initiative are removed from society. All that will take its place is mass regimentation, as has been suggested many times. There can be no other substitute. So I suggest earnestly to hon. members in the Liberal and Progressive Conservative parties that if they want to see private enterprise flourish in this country they had better examine the proposals which have emanated from the Social Credit group in the house, because they are the only proposals which will permit private enterprise to function properly.

May I emphasize that it is wrong to conclude that just because there is unemlpoyment and a lack of distribution of goods, it necessarily follows that the government must go into business. As I said earlier in my remarks, I believe private individuals in Canada are capable of running their own business. Private enterprise does not necessarily mean monopoly enterprise—and I am afraid C.C.F. members constantly make that error. When they condemn private enterprise, meaning to condemn monopoly enterprise, they do the former a great injustice. I suggest they should differentiate; but they do not. In condemning private enterprise they condemn the thousand-dollar business as well as the million-dollar or billion-dollar corporation. Fundamentally I believe all people are private enterprisers, even including hon. members in the C.C.F. Many of them own their own businesses and their own farms; they sell their goods at a profit, and, if they had their choice, would remain in those circumstances for the rest of their lives.

Mr. ROSS (Souris): And they ask the government for more profit.

Mr. KUHL: If private enterprise is good enough for them, then surely it should be good enough for everyone. I suggest their charges do not come with very good grace when privately they themselves believe in private enterprise.

I suggest that they should deal with the abuses of private enterprise and advocate the elimination of those abuses. Monopoly control, cartels, price manipulation and all those practices are merely abuses of the private enterprise system. If their position is a logical one, then the thing to do is to retain competition but remove the abuses. That is where I think the C.C.F. criticism and analysis goes off the beam. I agree with them in their condemnation of monopoly control and abuses which arise as a consequence. But if they are logical they should argue that competition should be restored. Instead of that, however, they suggest by way of substitution a still greater monopoly, namely state monopoly. All that happens when there is monopoly control is absence of competition. Surely logic dictates that the solution is to restore competition. It is only in competition that there can be freedom. Competition does not necessarily mean cut-throat operations.

An hon. MEMBER: How about cooperatives?

Mr. KUHL: That is a matter for the individual. If people wish to join in cooperative societies, that is their business. But that is possible only under a system of prviate enterprise.

So I say to them this: Let them advocate the elimination of the abuses and maintain the principle intact, and we shall preserve a free society. To the minister, and to those who support him, I suggest that if they will bring in legislation which will enable private enterprise to work, they will receive the wholehearted support of the Social Credit group. If that is done, I do not think it will be necessary to bring in legislation of this kind. By making it possible for the people of Canada to buy everything produced, and by stimulating the buying power of the people, it will be possible for every industry to sell what it has to sell. If the abuses of capitalism are removed and the deficiencies taken care of, with adequate purchasing power, I am completely satisfied the private enterprise system will work as near perfectly as any human agency can be made to work. It is only under such an arrangement that we can preserve freedom as well as enjoy security.

Mr. WILLIAM IRVINE (Cariboo): Mr. Speaker, I suppose like many others, I am at a loss to know whether the house is discussing the policies of the C.C.F. or this crown companies measure.

Mr. GRAYDON: The same thing.

Mr. IRVINE: I am glad to hear it, if that is so. If we were discussing the policies of the C.C.F. I should make a speech somewhat different from the one I am going to make.

The hon. member who has just taken his seat has given us an example of that type of irrational circumlocution which might be expected from an hon. member with far less capacity than I hope he possesses. I do not propose to follow his line of reasoning, or his lack of it; but I should like, in passing, to point out to the hon. gentleman just the sort of reasoning that he has presented to the house. In criticizing the C.C.F. he says that capitalism is all right, that we should not condemn private enterprise. He says that what we should condemn is the abuse and not the use of these great institutions. Then he goes on to give an illustration or analogy. He says, "You may as well condemn the motor car because here and there one runs over somebody as condemn free private enterprise."

Then he goes on from that to argue the very opposite. He says, "You cannot be wrong and right at the same time; when the C.C.F. distinguishes between capitalism that is robbing the agricultural people of this country and the farmers who have been robbed, that is wrong. You must either be right or wrong all the time and make no distinction between the motor car which runs over somebody and the motor car which does not."

Mr. KUHL: It is a matter of how you deal with it.

Mr. IRVINE: I am dealing with it now. You were dealing with it a moment ago. I am dealing with it in order to show how illogically the hon. gentleman dealt with it. May I say to him that we have judged his precious system by the fruits that it has grown. By the fruits of the tree, the tree shall be known.

I should like to take up the objections to the bill which were offered, I think in a most logical fashion, by the hon. member for Vancouver South (Mr. Green). He took exception to the bill on six different counts; first, that it was a blanket act; second, that crown companies would be far removed from parliamentary control; third, that no provision is made in the present bill for crown companies to pay taxes, especially municipal taxes; fourth, that such companies would be in competition with private business; fifth, that it would be setting up a super civil service, and, sixth, that it would be a method of introducing socialism.

Before commenting on those various points or arguments, I should like to refer to the discussion which took place thereafter in the house last night. The hon. member for Peace River (Mr. Low) got into an argument with my fair and honoured desk mate, the hon. member for Qu'Appelle (Mrs. Strum). I noticed, as no doubt you did, Mr. Speaker, that he escaped from the impossibility of answering her pointed questions under cover of courtesy as a gentleman. Those of us who have had long experience in domesticity will appreciate the position of the hon. gentleman and overlook the fact that he refused to face an answerable question. The most remarkable thing that the hon. gentleman said was that he was suspicious of this measure because the C.C.F. members supported it. I think that was an unworthy remark for the hon. gentleman to make; at least I hope it was unworthy of him. I hope he is not as small as that makes him appear to be.

Let me ask the hon. gentleman if the people of Canada will be any less suspicious of him and his party when they read the words of the hon. member for Muskoka-Ontario (Mr. Macdonnell). The hon. member said, as reported at page 2136 of *Hansard*:

> The hon. member for Peace River has said so many of the things I was going to say that I almost felt it was not necessary for me to speak at all.

Mr. Speaker, if we followed the logic of my hon. friend we would be filled with suspicion of the Social Credit party because of its close associations with my hon. friend to your left, the Progressive Conservative party. I think it is time that full grown men with the responsibilities of members of parliament should stop having childish suspicions of that kind. It is not much more than a week since Social Credit members, C.C.F. members and members of the opposition—those of them who were here—voted together. I do not know where the suspicion would go then.

I have pointed out before and I do so again that as a group sitting to your left we do not line up with any official opposition. But we will not allow prejudice to prevent us from voting with them when we believe that they are right. Neither does our prejudice prevent us from supporting a government measure when we believe it is right. I wish to protest against the scurrilous innuendo of my hon. friends when they suggest that the bill must be regarded with suspicion merely because a few C.C.F. members have indicated that in the main they agree with its principles. I am almost afraid to go on because the minister will be praying to God to be protected from his friends if we continue to defend the measure as we have up to this time. I rather like the attitude of the hon. member for Muskoka-Ontario when he said, as reported on page 2137 of *Hansard*:

I do not think we should become theological about socialism. I do not regard myself as an enemy of the human race because I am not a socialist.

I think he meant to say also that because I am one I should not be regarded as an enemy of the human race either. Then he goes on:

I believe the way we should look at questions of this kind is, which method will do the particlar job best in the particular case, public ownership or private ownership.

I think that was a very fine view to take. That was an attitude of mind which is understandable and commendable and statesmanlike. If we discuss the matter on those broad principles it should be of benefit, both to hon. members of this house and to the country itself.

I should like now to follow the main points of the argument which have been much better presented by the hon. member for Vancouver South than by any of those hon. members who have opposed the measure. He said that this is a blanket act. By that he meant that the passage of this measure will leave the government free to organize any kind of company at any time they like without consulting parliament at all. I do not think that conclusion is justified by the bill itself and I point out the unequivocal denial of that charge made last night by the minister himself. He described that view of the bill as being nonsense. The measure provides for the operation and financing of crown companies which are now in existence or which may come into existence, but I do not think any other crown company will come into existence except through the doors of this parliament. I cannot see that parliament will lose any of its power or its control in the acceptance of the present legislation.

The second argument is that crown companies would be removed from parliamentary control. So far as I am aware there is not any kind of measure which could remove from this government and this parliament responsibility for its actions. The government will have to be responsible for whatever company is organized under the legislation now being passed, just as surely as it must be responsible for any one of its other acts. As a matter of fact there is not any crown company but is entirely under the control of this house and of the government. To begin with, the policy followed by any crown company is settled by the government itself. Next, the auditor of crown companies is appointed by this house. Third, the affairs of every crown company are open to examination and criticism by the appropriate committees of the house. So that in every way possible parliament retains control over crown companies.

The hon. member for Peace River, in discussing this point, says that private companies are not supposed to answer to parliament for their revenues or expenditures. That was a most significant admission by one who was arguing that crown companies should not be established because they could not properly answer to parliament; but if a crown company is not established to do a certain thing, then a private company will be established to do it. The hon. member for Peace River is not disturbed about a private company not reporting to parliament, but he is perturbed over the possibility that a crown company might be prevented—according to some quirk of his imagination—from reporting to parliament. It is quite true that private companies do not have to report to parliament; and that is what is wrong with them. They report to their shareholders. Crown companies report to the representatives of the people. I cannot understand why any such objection should be taken by critics of this measure. Why so critical of the control when private enterprise, which is championed by the hon. gentlemen who oppose this measure, is allowed to do what it pleases, sometimes with important and vital industries upon which the lives of almost all the people of this country depend?

Mr. BENIDICKSON: Such as this.

Mr. IRVINE: The next point is that there is no provision that crown companies shall pay taxes. The hon. member for Grey North (Mr. Case) comments on this point, and says, *Hansard*, page 2150.

We in Ontario realize that our hydro system, owned by the crown, has brought us cheap power and has assisted in our industrial development.

I think the hon. gentleman should have pointed out that his community has already received taxes in the forms of cheap power and developed industry. The matter of whether a government concern of this kind should be taxed could very well be considered by this house at some other time. But if we proceed that far there will be objections from many quarters; because, to follow the logic of the hon. member for Jasper-Edson (Mr. Kuhl), what is good and right for one must be good and right for everybody, so you must not stop in the middle, and if you are going to tax public institutions of this kind you must tax hospitals and public schools; you must tax churches, and, most sacred of all, you must tax the property of the C.P.R. So I am afraid that when we start to be logical about this thing my hon. friends of the Progressive Conservative party will not be so anxious about it. Let us not forget that the surpluses which come into any publicly operated in-

stitution go into the public treasury, whether of the municipality or the provincial government or the federal government. It is nothing but absurd folly to tax what you already have in the public treasury: the result is to increase expenditures and the cost of public business by doing a foolish thing. When it comes to the municipalities, there may be a case there, and that, as I have said, might very well be argued at some other time. But I repeat if we extend the taxation powers of municipalities to government institutions they will have to be applied to such other organizations as I have mentioned.

I come now to the fourth argument of those who oppose the bill, and it is that these companies will be in competition with private business. That should be welome to those for whom the life and soul of business is competition. One hon. gentleman who spoke last night suggested that the principle of life is the survival of the fittest, and so, of course, he opposed the bill. I am afraid that if the principle of the survival of the fittest were applied individually it all cases the hon. member might have ceased to exist long ago. But as regards opposing government-operated institutions because they furnish competition to other companies, for people who believe in competition as an economic principle to take that stand is an utter absurdity. I do not believe there should be competition and this is where I shall proceed on the way a little farther than my socialist friend the minister.

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: The Progressive Conservative party can see a joke. It is most extraordinary.

Mr. GRAYDON: They can hear one too.

Mr. IRVINE: I listened to one just now.

Mr. FRASER: Which one is the joke?

Mr. IRVINE: You. But here is the difference. I do not believe that the government should enter into competition with private industry. I believe that private industry should be taken over in every case where the government enters business.

Mr. KUHL: Totalitarianism.

Mr. IRVINE: If that were totalitarianism, then my hon. friend would be leading it; that is where he belongs. That is where he has always been and where those associated with him have always been—on the side of totalitarianism.

Mr. BLACKMORE: That is utter nonsense.

Mr. IRVINE: You ought to know, sir; you are the best authority on nonsense I have ever met anywhere.

[Mr. Irvine.]

Mr. BLACKMORE: You had better explain your remarks.

Mr. IRVINE: If I am to explain my remarks the hon. gentleman will have to do the same. Those who live in glass-houses had better be careful of the rocks they throw and the number of times they engage in throwing them.

Mr. BLACKMORE: I am glad I do not live in one.

Mr. IRVINE: The survival-of-the-fittest idea, which is held up as the soul and spirit of free enterprise, should not be condoned by a crown company which has been set up to perform a specific function in the national economy. It should not enter into or countenance the wasteful and stupid duplication which competition involves, and to that extent the bill is far from being socialistic. It has the marks of free enterprise upon it in that regard. If I were the minister I would expropriate all companies in any field in which it was found necessary for the government to enter and do business.

As to the fifth argument, that the government is setting up a super civil service, that is to say, that by providing in this bill the means whereby the servants of the crown corporation shall be employed, the government is instituting a super civil service, well I think that is hardly worth stopping to answer; for with respect to crown companies the government will have to have the same responsibility that it has in regard to any other department of the civil service.

So I hasten, owing to the shortness of my time, to deal with the sixth argument, which is that this measure should be opposed because it is a socialist measure. I wonder what hon. gentlemen mean by a socialist measure. Perhaps that is the first question that we ought to settle so that we may know exactly what terms we are employing; otherwise no debate can have any meaning. I say, therefore, that in my view a socialist measure is this—or perhaps it would be better to discuss a socialist enterprise. In my view a socialist enterprise would be one which had as its chief objective the interests of the community. On the other hand, a private enterprise is one which has as its sole objective, its chief objective, the profits of the shareholders.

With that definition before us let us examine this bill. The hon. member for Muskoka-Ontario, in dealing with this point, warns us that we must stop, look and listen. I tell my hon. friend that the most that his party has ever done has been to stop. I do not know whether it has looked or listened. We have

come to the time, however, when we must start, look and listen. This measure may be termed socialistic, if you like, to the extent that it has as its object the meeting of specific community needs, that being the chief objective of such companies. In that respect it is distinguished from private enterprise, which is not free at all and is extremely costly to the public, for it never enterprises except in its hunt for profit, and it has left a trail of failures, in so far as humanity is concerned, right across the pages of industrial history.

It is remarkable that all hon. gentlemen who have opposed this bill have said that if this were only war time they would not oppose it but would hold up both hands for it, because they say in effect that in war time there was a great emergency, and that emergency was so great that they were willing to do wrong things in order to meet it. That is a most extraordinary concept of things. Again I say to the hon. member for Jasper-Edson who was so concerned with the logic of the C.C.F. policy: if this is wrong in peace time it would be wrong in war time.

Mr. KUHL: Different situations entirely.

Mr. IRVINE: Two different situations with exactly the same principle to be applied. As I say, it is a most extraordinary type of argument indeed. The hon. member for Red Deer (Mr. Shaw) stated at page 2145, of *Hansard*:

> We agree that the urgent demands of war made that course of action necessary—

Referring of course to war-time crown companies.

> —but what does the minister advance as the reason for a crown corporation to function after the war?

That is to say, we are perfectly willing to contribute to the wrong type of action during a war but we are not prepared to do so now in peace, and the reason why they were willing to do wrong during the war was that there was a great emergency. I say to my hon. friends that there is just as great an emergency in peace now as there was in war. Any intelligent man who tries to make a survey of the world situation to-day must realize that there is an emergency of the first magnitude. If he does not, he has no business to be in this house.

The world is practically faced with starvation. Our own country has tremendous problems to face. To mention only one, there is the housing situation; and in that connection there are such industries as coal and lumber which to-day are failing to function, as they very well might be functioning, under crown companies, to the fullest extent, in meeting the needs of the Canadian people. The hon. member for Red Deer argued that private enterprise could produce abundance. How does he know? It has never been known to do that.

Mr. KUHL: Overproduction before the war.

Mr. IRVINE: That was underdistribution.

Mr. KUHL: That is a different thing.

Mr. IRVINE: He refers to the great stockpile which could be viewed in 1939 and throughout the thirties. Such stockpiles were not in themselves an evidence of private enterprise's capacity to produce. They were grim evidences of free private enterprise's incapacity to distribute. But the great point that I wish to make in this connection is that the objective of free private enterprise is not primarily to distribute goods to the public; its objective is to make profits out of goods, and it does not care whether there are many or few goods, it makes the profits anyway. The objective of a public corporation dealing with a community need is to meet the needs of the people. That is the first thing, the chief object of its coming into being. That marks the difference between the public ownership and the private ownership argument stated so well by the hon. member for Muskoka-Ontario.

The hon. member for Grey North (Mr. Case) seemed to have a sort of vision that the Progressive Conservatives may just happen by accident to come to power some day, and therefore he says, as reported at page 2149 of *Hansard*:

> This legislation could become, in the hands of those who would seek to use it for a purpose it was never intended, in the mind of the Minister of Reconstruction and Supply (Mr. Howe), a dangerous thing.

I am glad that he has given us that warning in time. I hope the people of Canada will take notice of it and see that they never endanger their interests by entrusting him with power.

Let me conclude by saying that it is absurd to discuss this bill as being socialism. I wish it were. But I say this about the bill; its trend is so far toward common sense that it makes it look like socialism, and it is because of this trend toward that measure of common sense that I shall be glad to give it my support.

Mr. RODNEY ADAMSON (York West): There are in this bill a number of things that I was prepared to think were quite satisfactory until I heard the hon. member who just took his seat, who showed the trend of socialism

and the way of thinking of the C.C.F., and also the way in which they would interpret a bill such as this.

There are one or two inaccuracies concerning what has just been said that I should like to clear up first of all. The first inaccuracy is in regard to private companies. Private companies certainly do make a report. They make a report to the Minister of National Revenue (Mr. McCann), but not to this parliament. They are subjected to careful inspection by that department. They are inspected far more closely than any crown company ever is by any committee of this house.

Mr. KNOWLES: The information is kept secret.

Mr. ADAMSON: They report and publish a detailed financial statement. They report to their owners in public meetings. The officers of the company have to give a most explicit and detailed statement, not only to the department but to the owners, the shareholders. The officers are subject to questioning. They have to make a forecast of what they expect in the year to come, and they have to justify their actions of the year past to their shareholders. No crown company is ever subjected to the scrutiny which the average private commercial company must undergo. That is the first thing I wish to make clear.

The second thing is that the Canadian Pacific Railway Company is the greatest individual taxpayer in Canada to-day. It pays taxes several times the amount of any other company. Where we would be without the tax revenue from the Canadian Pacific Railway company, I shall leave to the Minister of National Revenue to say. Suffice it to say it would cause a great hole in the tax revenues of the country.

We come now to the second suggestion made by the C.C.F. philosophy, namely, that if the government find it necessary to go into business, they should not only go into business but completely expropriate all other competitors in that line of business. This means that if the government went into the business of the production of synthetic rubber—synthetic rubber is a combined product of the rubber and oil industry—they would, under that reasoning, expropriate the Canadian rubber industry and the Canadian oil industry. That is an untenable situation, but it shows the way of thought in Canada to-day; it shows the type of thinking that is going on to-day, which is being fostered by the present government, and this bill is one of the measures which is doing it.

Debate on the bill has resolved itself into a discussion of the government's function as an operator of business. Is the trend in that direction? If so, is it a good trend? During the war there were certain emergencies which had to be met. There is a fundamental difference between war and peace. War is an economy of destruction. Everything you produce for war you produce for destruction. What you hope to produce in peace time you hope to produce for construction and for use. That is one of the essential differences between war and peace; and because it is the function of a government to produce uneconomically things, shall we say, like the Polymer Corporation and several of the strategic metal materials in war time there is no reason why they should be doing it in peace time. In war your aim is to destroy. Everything you produce you produce to destroy the enemy. There is a fundamental difference between production for war and production for peace, and the economy is entirely different.

The first objection which is being mentioned in regard to crown companies,—and I shall not deal with it at length because it has been dealt with successfully by the hon. member for Eglinton (Mr. Fleming)—is the matter of municipal taxation. In the Toronto area at the present time there are, with the exception of the Dominion Arsenals and the War Assets in my riding, a number of warehouses. There are no active crown companies which do not pay taxes to the city. But there is in the city and in my riding a great deal of property which does not pay taxes, and it has been a severe handicap to several of the municipalities.

The second point is that under stress the government enters business which is not normally commercially profitable. Here I mention housing. Wartime housing cannot be and I doubt if it ever could be commercially profitable, in this or any other country. It is an emergency measure and should be treated as such. I do not think it will have any place in the Canadian economy after this immediate and desperate housing shortage is alleviated. I do not say that wartime housing is the answer even now; in fact in many cases it has proved very much a disadvantage, but in our present desperate situation concerning housing we have to grasp at any straw that comes along.

Then the government may go into business, as they have in the past, for reasons of geography. While they have not definitely taken over companies they have paid and probably will continue to pay subventions for the production of coal and other materials,

because of the freight haul involved. I am speaking of Nova Scotia and Alberta coal. Here action on the part of the government will probably be necessary. This is a technical question, and no doubt subventions and such things are necessary to ensure the mining and satisfactory marketing of Nova Scotia and Alberta coal. That is a function which it may be necessary for the government to perform.

Another form of government enterprise is in setting up marketing and distributing agencies. Here I have in mind the wheat board and government selling agencies and marketing schemes abroad. Under the present world set-up, with conditions so chaotic, no doubt there is a necessity for the government to take a hand in these activities.

I should like to speak briefly about the government entering business as a war measure. First we have Polymer, which I think has proved itself in spite of the fact that it has lost $40,000,000.

Mr. HOWE: What are you talking about?

Mr. ADAMSON: Well, it has not paid for itself.

Mr. HOWE: That is too bad. It has been in operation for two years.

Mr. ADAMSON: I realize that, but on the minister's own admission synthetic rubber is not likely to be a commercial factor in future, so that the plant is not likely to pay for itself.

Mr. HOWE: Do not take your losses until it is necessary.

Mr. ADAMSON: Well, we are still into it to the extent of $40,000,000. I do not care to forecast the future with respect to synthetic rubber, but on the minister's own admission it is unlikely to be a serious factor when natural rubber comes back into normal production. However, it was necessary during wartime, and that is the only point I am trying to bring out. It was necessary during the war, in spite of the cost.

Then we have the production of such things as mica, tungsten, mercury, magnesium and many other strategic metals. Production has now ceased in connection with nearly all these. Magnesium is not being produced at the moment, though I understand the company has some hopes for the future. The production of all these strategic metals was on a basis which is now uneconomic, and they were produced as an emergency measure. I am sure that is a justifiable function of government in war time, but it is not a function for the government now that the war is over.

Then we have the Dominion Arsensals. I think it is reasonable to assume that in the enlightened future the government must and shall be the sole maker of weapons of war, because I believe in the past the manufacture of weapons was uncontrolled. Certainly before the first great war large companies such as Krupp and the big cartels did a great deal to foster the spirit of war, and I feel that the manufacture of the weapons of war must remain a function of government. From that point of view I have no objection to the Dominion Arsenals, though I believe humanity to-day is pretty much the same as it was two thousand years ago, and we are not going to banish war from the world for all time. So I believe that encouragement should be given to private firms or private individuals who may from time to time invent new weapons. This is one of the things we have to think about. New weapons will be constantly invented. We must—and I say this regretfully—be prepared to keep at full efficiency our inventive genius in regard to new weapons.

I now want to go on with a discussion of of the government entering into the development of natural resources. Recently we had the government going into the Yellowknife area and constructing a hydro electric power development there. I think that is a progressive step. The Yellowknife is isolated, and the devolpment of a great mineral area requires hydro electric power. Under the present system of taxation it was probably a justifiable function, and in this case a good thing, for the government to develop hydro electric power in that area. It will be expensive; the rate per kilowatt hour, per horsepower year, will probably be high, but if the development is to go ahead quick action must be taken. So I think the Minister of Mines and Resources (Mr. Glen) is to be commended—

Mr. SPEAKER: I am sorry to interrupt the hon. gentleman, but his remarks should be relevant to the bill which is before the house.

Mr. ADAMSON: I bow to your ruling, Mr. Speaker, but the development of hydro electric power in the Yellowknife area will probably necessitate a crown company.

Mr. HOWE: Not at all.

Mr. ADAMSON: In any event it is a government-sponsored project. If it is not to be sponsored by a crown company certainly the financing will be very peculiar, and must be a direct charge and liability of the government, who will expect some return in the shape of revenue from the power users. The development of that water power has been undertaken by the government; and if it does not

require a crown company it will require some kind of financing. It is the sort of thing that could be financed in a crown company.

But it brings me to the question which I wish to discuss in somewhat more detail, and that is the Eldorado Mining and Refining Company. That company is the largest, if not the sole producer of pitchblende in Canada. If there are other producers, they are small. It is apparent from the policy of the government that any mineral suitable for producing material which can be used in connection with atomic fission is going to be the prerogative of the government. Certainly that is so in respect of pitchblende.

But there are other materials in which the government is interested. For instance, there is thorium, which is now being used, and there are many others.

Since the government's action in taking over the Eldorado company, so far as I have been able to find out there has been practically a cessation in prospecting and attempting to develop pitchblende. This may or may not be a good thing. Pitchblende, the ore of uranium and radium, may be found only in one limited location. But, apart from what is being carried on by the Eldorado company, the average prospector is not interested in searching for these minerals because he feels that if he makes a find the government will take it over. I have discussed the matter with many of them, and that is what I am told. That is one of the results—perhaps an inescapable result—of the government's action in taking over the Eldorado property.

I am not complaining of the fact that the government did take over that property. At a very critical time in the war it had to see that a supply of uranium was available, because at that time it was the only known material which could be used for the development of the atomic bomb. I have no quarrel with that; but with our present knowledge of atomic warfare and science, I believe that the government should inform the country as to its policy in respect of the development of minerals which have atomic uses, of which pitchblende is one and thorium another. There may be a great many others. In my view it is greatly to the advantage of Canada that all mineral deposits containing these minerals, and any others which could be used for the development of atomic energy, should be vigorously prospected. But if the government preempts the field in respect of these important minerals we shall find that prospecting development will die. Instead of having an active fraternity of prospectors looking for gold, lead and zinc, as we have to-day, we shall find that these important minerals will be left to development by the government. Surely that would be a retrograde step.

It is necessary that the most active search for these metals should be carried out. If the government is prepared to take the position that, in the event of another source of pitchblende being discovered, it can be developed by the people who made the discovery and brought it in, I believe we shall have a far greater activity and a more extensive development of these strategic minerals.

I realize that during a critical period of the war Eldorado was taken over, and that possibly the government had no other choice. I feel now, however, that with the possibility of these potential atomic minerals being useful not only for purposes of war but, it is hoped, for the pursuits of peace, every encouragement should be given to their prospecting and development. I criticize the government for not stating clearly its position as to what its policy shall be in respect of newly discovered and newly developed strategic mineral production. In that way the government is holding back development, and it is a restriction which should be lifted at the earliest possible time. The research work at Eldorado should not be discontinued. Possibly the work being done there is properly a function of the government, but in my view, it should make its policy clear in respect of what it intends to do in the matter of new deposits. These new minerals and new scientific developments may constitute the most valuable natural resources we possess and, despite the work it is doing, the present policy of the government is not a proper one and is not conducive to developing deposits of these new metals.

Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, this debate has wandered into strange fields and has covered a large territory. One speaker has referred to myself as the darling of big business and in the same speech called me the builder of a slipping slide to socialism. I regret that I was not able to save considerable time of the house by intervening earlier in order to explain the bill. I realize that no one who spoke last evening had read the bill. I felt greatly comforted when the hon. member for Eglinton (Mr. Fleming) rose to-day to clarify some of the points because I then thought he had read the bill. Unfortunately he had not. I think the hon. member for Vancouver South (Mr. Green) must assume some responsibility because he undertook to interpret the bill to the house, and it

was because the discussion was based on his interpretation that it has wandered up and down so many peculiar lanes.

Mr. GREEN: Do not blame me for all that.

Mr. HOWE: You started the discussion and I found an echo of your dissertation in all the subsequent speeches. The hon. member for Vancouver South mentioned six objections to the bill. The first objection was that there was no limit to the number of crown companies which could be set up and, further, that any department could set them up. I can assure my hon. friend that no crown company can be set up under this bill.

Mr. GREEN: I did not suggest that it could.

Mr. HOWE: I understood that you were discussing this bill.

Mr. GREEN: I did not suggest that companies could be set up under it.

Mr. HOWE: This is a bill respecting the operations of government companies. As is stated in the explanatory notes, there were at one time thirty-one crown companies operating under the direction of the Minister of Munitions and Supply. There was no lack of statutory authority for setting up those companies. They were set up under the provisions of the Munitions and Supply Act which is an act passed by parliament, and unanimously, in 1939. The authority is contained in paragraph 6, which reads:

(3) (a) The minister may, if he considers that the carrying out of any of the purposes or provisions of this act is likely to be facilitated thereby, procure the incorporation of any one or more companies or corporations under the provisions of the Companies Act, 1934, or under the provisions of any act of any province of Canada relating to the incorporation of companies, for the purpose of exercising and performing in Canada or elsewhere any of the powers conferred or the duties imposed on the minister by this act or by the governor in council and may delegate to any such company or corporation any of the powers and duties conferred or imposed upon the minister under this act or any order in council.

Then it goes on to state that for the purposes of the section the Secretary of State may, if the minister so requests, issue letters patent. That is the authority for forming crown companies as far as the Munitions and Supply Act is concerned. As I have said, at the height of the war there were thirty-one companies formed under the authority of that act. We are now in process of liquidating the war, and it is hoped that in time we shall be able to liquidate the Munitions and Supply Act. It was never intended to be a permanent statute of Canada and when it serves its purpose, which we hope will be in a matter of months, the government will ask for the repeal of the act.

The situation is that out of the thirty-one companies there are still thirteen that are active. Five will continue for a considerable period; perhaps three will continue as permanent companies; two may continue for a certain period, while eight others are in process of being wound up. The winding up of large operations takes time, and it seemed desirable to ask parliament for some continuing provision for the operation of these companies independent of emergency wartime legislation. That is the simple purpose of the bill before the house.

It has been suggested that there should be a separate bill for each company. That would mean thirteen bills on the order paper of parliament. All the companies are identical in form; they were all formed under a uniform statute, which is part I of the Companies Act. The suggestion that we have a separate bill for each company would mean that we would have to have on the order paper thirteen bills, each one identical in form with the others, except for the name of the company to which it applied.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 157, for the relief of Mary Epstein Harris.—Mr. Maybank.

Bill No. 158, for the relief of Helen Irene Flewelling Wilson.—Mr. Maybank.

Bill No. 159, for the relief of Maitable Horwitz Hollander.—Mr. Maybank.

Bill No. 160, for the relief of Pauline Giséle Guénette Villeneuve.—Mr. Maybank.

Bill No. 161, for the relief of Mary Jaclyn Robinson Jeffrey.—Mr. MacLean.

Bill No. 162, for the relief of Jessie Hope Forbes Hardie.—Mr. Emmerson.

Bill No. 163, for the relief of Robert Venor. —Mr. Maybank.

GOVERNMENT COMPANIES

OPERATIONS AND FINANCING—SUPERANNUATION AND PENSION PROVISIONS

The house resumed consideration of the motion of Hon. C. D. Howe for the second reading of bill No. 155, respecting the operation of government companies.

Mr. HOWE: Before the recess I pointed out that the purpose of this bill is to give statutory authority for the operation of the crown companies as set up under the Munitions and Supply Act during the war. The explanation of the bill makes its purpose clear. It states:

During the war, several companies—

Some thirty-one crown companies.

—were incorporated under part I of the Companies Act, 1934, to carry out special projects. Some of these companies, such as Polymer Corporation Limited and Canadian Arsenals Limited, will continue their operations for a considerable period. It may also be desirable, where statutory authority exists, to incorporate similar companies to carry out other special projects.

Having stated that the bill does not convey statutory authority to create any company, I might point out the articles of the bill, which to my mind are very clear and simple. The first section is the "short title", then the definitions of the "minister" and the "company". Then it provides for the bank accounts. Then it provides for additional capital. The purpose of that provision is that in winding up crown companies capital is sometimes required for unexpected purposes, either for operating or for capital investments. The provision referred to enables the Minister of Finance to advance money not in excess of $500,000 for such purposes as an accountable advance. If the money is not refunded before the next parliament meets it will be necessary to include the amount in the estimates of the department in order that the money may be refunded to the department, as is required for all refundable advances. This provision is simply a provision for additional capital, that is, to permit the treasury to make lump advances to the company either for capital or for operating purposes, which in each case is a refundable advance.

The bill provides that all funds in excess of those required for current operations shall be paid to the Receiver General of Canada. I might say that it has been the custom, in the operation of crown companies to examine accounts at the end of each month and that all funds not required for the operation of the company are then recalled by the receiver general.

The bill appoints the company the agent of His Majesty and provides that it can make contracts in its corporate name and that it can sue and be sued.

It provides for the appointment of employees. It provides for the setting up of a pension fund and a superannuation fund. It provides for the protection of civil servants who may be transferred to the employ of a corporation. It preserves to them the benefits of the Civil Service Act.

It provides that each company shall make an annual report and that the report shall be laid before parliament, and it provides also that any other reports required by the minister shall be made.

In closing, it provides for the coming into force of the act.

I cannot see how any hon. member could read into the text of so simple a document any provision for the setting up of new crown companies. It was never intended that that provision should be in the bill and it is not, in fact, any part of the bill.

I mentioned the first objection, which is, that there was no limit to the number of crown companies which could be set up under the act, and I think I have shown that that objection is wholly without foundation.

Mr. GREEN: I did not say, "set up under the act". The minister is wrong in that.

Mr. HOWE: How would they be set up?

Mr. GREEN: Just read the speech and you will see what I said about it.

Mr. HOWE: That any department can set them up? The only method I know of setting up a company is to come to parliament for the necessary authority.

Mr. BOUCHER: What about the Research Council Act?

Mr. HOWE: I have come to parliament for the right to amend the Research Council Act which was originally passed by parliament.

Mr. BOUCHER: Is it not a fact that the minister has also asked parliament under the Research Council Act for power to the council to set up some of the companies on its own initiative without special reference to parliament?

Mr. HOWE: Quite. Parliament may grant that right as it sees fit. That is a matter which I hope the house will decide in the next two or three days. Nevertheless, if Parliament passes this bill in its present form it will have authorized the setting up of certain crown companies under the national research council—to which, I think, no hon. member can take exception, provided that parliament agrees that this should be done.

The second objection is that government activities of this kind are, according to the hon. member, far removed from parliamentary control. I must say that I cannot agree with that, because it seems to me that parliament has all the control over the activities of a crown company that it has over

the activities of a government department. The main control of the activities of a department is through the voting of the estimates. If funds are required for a crown company they must be voted by parliament, and parliament can then exercise the same control as it would exercise over any department of government.

Mr. GREEN: May I ask the minister if the vote is a vote for each crown company, or is it one lump sum voted for all crown companies?

Mr. HOWE: The vote would necessarily be for each crown company. I can hardly imagine the opposition agreeing to vote money in a lump sum for all crown companies.

Mr. GREEN: It is not that way in the estimates this year.

Mr. HOWE: Well, these are the demobilization estimates. I think they are exceptional.

Mr. GRAYDON: The minister seems to be comtemplating a deficit each year.

Mr. HOWE: Well, that may be. I think parliament has always voted money for the maintenance of arsenals. I am hoping there will not be a deficit in the arsenals company; but, if there is, it will be exactly the same situation as has obtained ever since I have been in parliament and, I think, ever since the oldest member has been here.

Mr. GRAYDON: It looks as though this adventure into socialism will be a loss.

Mr. DEPUTY SPEAKER: Order. May I remind the hon. member that the house is not in committee of the whole at the moment.

Mr. GRAYDON: Thank you, Mr. Speaker.

Mr. HOWE: The third objection is that there is no provision for crown companies to pay taxes, municipal, provincial or federal. I suggest that it is not within the competence of this parliament to order crown companies to pay taxes. In order to provide that crown companies shall pay taxes, we must amend the British North America Act. At least, that is my understanding of the matter, and I would be glad to be corrected if I am wrong.

Mr. FRASER: We can do that easily enough.

Mr. HOWE: Perhaps; nevertheless the fathers of confederation decided that crown property could not be taxable either to the dominion or to the province or to the muncipality. As far as the excess profits tax is concerned, that tax on crown companies is a tax of 100 per cent, in that all the earnings of the company are returnable to His Majesty. That applies to companies wholly owned by the government.

A good many crocodile tears have been shed in this house over the fact that crown companies operate in cities and municipalities without paying taxes to those cities and municipalities. I must say that I have had singularly few complaints from the municipalities concerned. In fact, I have never had a complaint from any city or municipality. I have had a few requests for taxes after the company had been built and put into operation, and when such complaints have been received I have made it my business to examine the accounts of the corporation to determine whether, in fact, it is worse off as a result of the establishment of the crown company, or otherwise. Invariably I have found that the revenues of the corporation were vastly improved, not necessarily perhaps as a direct result of the establishment of the crown company but certainly as a by-product. Many war plants have been built during the war in various parts of Canada, and during the war those plants did not pay taxes; but I can say that at least 80 per cent of them are to-day paying taxes. They have been placed in private hands and are to-day on the active tax rolls of the cities of this country. I should be very glad indeed to have some hon. member rise in his place and give me a specific instance of any loss in a community as a result of the government's building a war plant in that community.

I might mention an interesting coincidence. My hon. friend the member for Lambton West (Mr. Murphy) entered a complaint on behalf of his constituency about the fact that Polymer Corporation is not taxable. Under date of May 31 I have received an entirely unsolicited letter from the mayor of Sarnia, as follows:

Hon. C. D. Howe,
Minister of Munitions and Supply,
Parliament Buildings,
Ottawa, Canada.

Dear Sir: With reference to the recent debate in parliament in which the member for West Lambton made certain charges against Polymer plant here, may I say personally as mayor of our city I could not commend his attitude. It is my belief that Polymer has been a great asset to our city, capably managed and efficiently directed, and that we have been very well treated by the government in this regard. It is my hope that the incident above referred to will not be held by yourself or your department against our city, as it is my opinion that Mr. Murphy's remarks, while perhaps reflecting his own views, do not in any way represent the majority opinion of this city.

I am,

Very truly yours,
W. C. Nelson,
Mayor.

I suggest that the reaction in this instance is typical of the reaction of every other city where crown plants have been established. The crown does not pay taxes, but it does not put cities or municipalities to expense in connection with its operations. If it requires service from a community it pays for that service, and I think the numerous speeches that have been made in this house in this debate, deploring the fact that crown companies do not pay taxes, are entirely without foundation as far as the real situation is concerned.

Mr. ADAMSON: May I ask the minister whether he has resolved all his difficulties so far as the town of New Toronto is concerned?

Mr. HOWE: We have never had any difficulty with respect to New Toronto.

Mr. ADAMSON: They camplained to me with reference to storm sewers.

Mr. HOWE: The next complaint is this:

In some cases crown companies will be in direct competition with private business. I do not think any member of the house can question that fact.

That is the next point. Let me say that while the Department of Munitions and Supply created thirty-one crown companies, it has never created a company that is in competition with private business in any way, shape or manner. If private business was able to carry out the war objective, private business was given that opportunity. The government has created crown companies only to undertake work that private industry was not willing to undertake.

It has been suggested that the Polymer Corporation is in competition with private business. May I say that if the government had not built the Polymer Corporation when it did there would have been no private industry in this country as far as rubber is concerned. There was absolutely no way of bringing supplies into Canada to keep the rubber industry in operation or to fill the war needs in connection with rubber. Polymer is the backbone of the rubber industry, but it is not in competition with private industry in any way, shape or manner. Similarly, our arsenals have always been operated by the government. It is quite proper that the making of arms and ammunition for war purposes should be in the hands of the government, and that has been the policy of the government for a great many years. The arsenals corporation will carry out that policy, which will meet the requirements of the armed forces in certain ways that have been met by the arsenals for years, and it will not be in competition with private industry.

[Mr. Howe.]

The third company is Eldorado; and I have explained to the house, as every hon. member is well aware, why the products of Eldorado must be kept in the custody of the government from the time that mining operation commences. until the finished product is delivered.

Mr. GREEN: What about the companies to be set up under the research council.

Mr. HOWE: There is one company in connection with patents which are the property of the research council. Surely that company will not be in competition with any other concern that I can think of.

Mr. GREEN: What about the other company?

Mr. HOWE: The second company proposed is the company which is already in existence, and to which I have referred, and the third suggestion was that there may be a company to operate Chalk River, which is a government operation that is hardly in competition with private industry. I know of no government company that has ever been in direct competition with private industry; and certainly those that will be continuing companies cannot possibly be considered to be in competition with private industry.

I continue with the hon. member's objections:

The fifth objection is that the bill makes possible the setting up of a super civil service. Employment is entirely in the hands of officers of the crown companies. They can hire whomsoever they choose and pay whatever salaries they wish. The minister explained that one of the reasons he wanted crown companies was to pay salaries commensurate with those paid by private industry.

Surely no hon. member will suggest that the government should go into the manufacturing business with one hand tied behind its back. No one would suggest that the Polymer Corporation, a $50 million project with a turnover of $40 million or $50 million a year would be operated by a man with a civil service salary. The government is going into business on equal terms with private business. It must do so if it expects to have a record which will compare with that of private business. I suggest that no hon. member should ask that the terms under which the government enters business should be any less favourable than those that obtain in private business.

Mr. FLEMING: But not more so.

Mr. HOWE: Does the hon. member think they are more favourable?

Mr. FLEMING: Yes, where taxes are concerned.

Mr. FULTON: It has the resources of the whole country behind it.

Mr. IRVINE: I cannot hear this private conversation.

Mr. HOWE: It is not very important. I go on with the objections of the hon. member for Vancouver South (Mr. Green):

> The sixth objection is that by using these crown companies the government is putting into effect a very fine method of bringing about a socialist state.

Surely that subject has been debated sufficiently. We need hardly pursue it any farther. Had the government been desirous of setting up a socialist state I suggest that it would hardly have disbanded the majority of its thirty-one companies. It is keeping only the companies which I believe are companies which properly should be under public operation. If the government wished to enter the field of socialism it would certainly advance in a wholly different way from that which is being followed in the present instance.

I believe that covers the main argument in opposition to this bill. As I say, the hon. member for Vancouver South set the tone of the debate, and it was religiously followed by other hon. members of his party. In dealing with his arguments, I feel that I have dealt with the subject matter of the debate.

I would again point out that this is a harmless bill. Its purpose is to permit orderly liquidation of the government's war business, and to ask for the repeal of the Munitions and Supply Act under which all the crown companies in the department were founded. As soon as we can carry it out, the objective is to liquidate the eight crown companies which are still functioning, but which are not required for any purpose other than to liquidate their accounts, and to set up the five companies remaining, on a legal basis aproved by parliament. That, I believe, is a worthy objective. The purpose of the bill is to do it simply. The alternative would have been to introduce into parliament thirteen separate bills of the same content. Therefore, in asking hon. members to approve this bill, I am not asking parliament to depart from any practice which is usually followed.

The house divided on the motion (Mr. Howe) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Archibald
Argue
Arsenault
Baker
Beaudoin
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Boivin
Bourget
Bowerman
Bradette
Brown
Bryce
Burton
Campbell
Castleden
Cloutier
Coldwell
Coté (Matapedia-Matane)
Coté (Verdun)
Croll
Cruickshank
Dechene
Denis
Dion (Lake St. John-Roberval)
Dubois
Eudes
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Glen
Golding
Gour (Russell)
Grant
Hallé
Harris (Grey-Bruce)
Healy
Herridge
Howe
Ilsley
Irvine
Jaenicke
Jutras
Knowles
Lafontaine
Lapalme
Laurendeau
Leger
Lesage
Little
McCann
McCuaig
McCubbin
McCulloch (Pictou)
Macdonald (Brantford City)
McIlraith
MacInnis
McIvor
Mackenzie
MacKinnon
MacLean
Maloney
Marquis
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mitchell
Moore
Mullins
Mutch
Nicholson
Pinard
Power
Probe
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
St. Laurent
Sinclair (Ontario)
Sinclair (Vancouver North)
Stewart (Winnipeg North)
Strum, Mrs.
Thatcher
Townley-Smith
Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winkler
Winters
Wright
Zaplitny—107.

NAYS

Messrs:

Ashby
Barrett
Blackmore
Blair
Boucher
Charlton
Church
Diefenbaker
Dorion
Drope
Fair
Fleming
Fraser
Fulton
Gagnon
Gibson (Comox-Alberni)
Graydon
Hackett
Harkness
Hatfield
Henderson
Héon
Jaques
Kuhl
Lockhart
Low
Macdonnell (Muskoka-Ontario)
McGregor
MacNicol
Manross
Marshall
Menary
Merritt
Pearkes
Quelch
Ross (Souris)
Senn
Shaw
Skey
Smith (Calgary West)
Stephenson
Stirling
Stokes
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wylie—47.

PAIRS

(The list of pairs is furnished by the chief whips.)

Black (Chateauguay-Huntingdon)	Cardiff
Bonnier	Robinson (Bruce)
Bridges	Ross (St. Paul's)
Clark	Desmond
Douglas	McLure
Gourd (Chapleau)	Hamel
Kirk	Massey
Lapointe	Kidd
Marier	Bradshaw
Parent	Rowe
Picard	Jackman
Mayhew	Aylesworth

Mr. CHEVRIER: I was paired with the hon. member for Grenville-Dundas (Mr. Casselman). Had I voted I would have voted for the motion.

Mr. JEAN: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted I would have voted for the motion.

Mr. BREITHAUPT: I was paired with the hon. member for Danforth (Mr. Harris). Had I voted I would have voted for the motion.

Mr. ISNOR: I was paired with the hon. member for Colchester-Hants (Mr. Stanfield). Had I voted I would have voted for the motion.

Mr. CLEAVER: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted I would have voted for the motion.

Mr. LALONDE: I was paired with the hon. member for Royal (Mr. Brooks). Had I voted I would have voted for the motion.

Mr. MICHAUD: I was paired with the hon. member for Simcoe North (Mr. Ferguson). Had I voted I would have voted for the motion.

Mr. MacNAUGHT: I was paired with the hon. member for Elgin (Mr. Coyle). Had I voted I would have voted for the motion.

Mr. COCKERAM: I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted I would have voted against the motion.

Mr. DANIEL: I was paired with the hon. member for Parry Sound (Mr. McDonald). Had I voted I would have voted against the motion.

Mr. HAZEN: I was paired with the hon. member for Essex East (Mr. Martin). Had I voted I would have voted against the motion.

Mr. TUSTIN: I was paired with the Minister of National Health and Welfare (Mr. Claxton). Had I voted I would have voted against the motion.

[Mr. Howe.]

Mr. BLACK (Cumberland): I was paired with the junior member for Halifax (Mr. Macdonald). Had I voted I would have voted against the motion.

Mr. HODGSON: I was paired with the hon. member for York North (Mr. Smith). Had I voted I would have voted against the motion.

Mr. BRACKEN: I was paired with the Prime Minister (Mr. Mackenzie King). Had I voted I would have voted against the motion.

Mr. GREEN: I was paired with the hon. member for Westmorland (Mr. Emmerson). Had I voted I would have voted against the motion.

Mr. LENNARD: I was paired with the hon. member for Compton (Mr. Blanchette). Had I voted I would have voted against the motion.

Mr. MURPHY: I was paired with the hon. member for Charlotte (Mr. Stuart). Had I voted I would have voted against the motion.

Mr. McMASTER: I was paired with the hon. member for Champlain (Mr. Brunelle). Had I voted I would have voted against the motion.

Mr. LACOMBE: I was paired with the hon. member for Terrebonne (Mr. Bertrand). Had I voted I would have voted against the motion.

Mr. CASE: I was paired with the hon. member for St. Johns-Iberville-Napierville (Mr. Cote). Had I voted I would have voted against the motion.

Mr. ADAMSON: I was paired with the hon. member for St. James (Mr. Beaudry). Had I voted I would have voted against the motion.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. MacNICOL: Is the crown company at Fort McMurray one of the companies the minister has in mind?

Mr. HOWE: The operation at Fort McMurray is not carried on by a crown company. It is an operation under the Department of Mines and Resources.

Mr. MacNICOL: I may be wrong, but my recollection is that it was set up as a crown company. The crown certainly put up the money for it, and turned it over to a group to operate. I have not heard anything in the debate—one, by the way, in which I took

no part—which would indicate that any of the companies the minister is about to set up will be operated in any other way. All those crown companies are operated by a group of men, just as is done at Fort McMurray.

Mr. HOWE: Abasand, as I remember the situation, was a privately owned company which had been operating for some years. Arrangements were made with Abasand by the government under which certain experimental operations would be carried out under contract by the private company at government expense, but Abasand was never a crown company.

Mr. MacNICOL: I am still in the dark; I cannot get the picture of what the minister means. The original Abasand company was a privately operated concern, but when it was taken over by the government the old Abasand Company went out of the picture completely. The government has had this operation under its control for about three years or more and during that time $2,000,000 more or less of this country's money has been voted by this house to carry on that business. I do not see any difference between that and any other company that is being operated under the crown. I am not trying to find any fault with the minister, but I want to know if Abasand is to be continued or is to be closed down? Personally I should like to see it closed down as a government operation.

Mr. HOWE: My officers advise me that I gave the correct position. Abasand is the same company to-day, with the same shareholders, that it was before the war. It has been carrying on certain experimental work under contract with the Department of Mines and Resources, and this work was carried on at the expense of the government. I am unable to give my hon. friend the information he desires. I am sure the Minister of Mines and Resources will be better qualified to do so, but I can assure him that Abasand is not a crown company.

Mr. MacNICOL: I know the minister is thoroughly qualified to tell me what I wish to know, and I do not know that the Minister of Mines and Resources can know very much about it. He has not had it under his control very long and he had nothing to do with the setting up of the company. The minister did have something to do with that. The minister set it up and I am sure he can tell us, if he will, exactly what is to be done with it. When the Minister of Mines and Resources comes before the committee I shall not expect him to answer. He will have to ask somebody sitting in front of him, but the minister does not need to ask anybody in front of him; he knows himself. It was set up under his orders and he is familiar with it.

I am not finding any fault because it is all past and gone, but I am anxious to know what is going to go on. It makes no difference to me at all, but the minister knows that the plant built under his supervision—it was not built under the supervision of the Minister of Mines and Resources—was burned down some time ago and insurance amounting to several hundred thousand dollars was collected. I was informed a short time ago that application is to be made to the government for a sum equal to the amount of the insurance, which I believe was $350,000, to make a total of $700,000, in order that the rebuilding of the plant may be proceeded with.

If the government is to expend the money received from the insurance I think it could be more sensibly spent in continuing the operations that were started under the minister's direction a year or two ago—this was before the present Minister of Mines and Resources had anything to do with the matter—of drilling down the Athabaska river in the known oil sand beds in order to investigate the tonnage of oil sands in that area. If that work is not completed now, there is a danger of what has already been spent being lost. It is government business to find out what are the resources of the country and I think this money could be better spent in doing this drilling than to rebuild the mill. I am trying to be nice to the minister because I recognize his ability, but I should like to know what is to be done.

Mr. HOWE: My hon. friend is much too complimentary about my knowledge of that particular transaction. I did have something to do perhaps with starting the experiments, but the contract was always carried by the Department of Mines and Resources, and the officials of that department supervised the operations with some collaboration by our oil controller when we had an oil controller. My officials tell me that I have a memorandum on my desk about this, but I have not read it. I do not know whether they will continue operations, but I do know that if any money is to be forthcoming for that purpose it will be voted in connection with the estimates of the Department of Mines and Resources. I am sure the minister of that department will be well briefed when he appears in the house and will be able to discuss the matter with my hon. friend.

Mr. MacNICOL: That particular company is not one of the companies the minister has in mind to carry on under this bill?

Mr. HOWE: That is right.

Mr. MacNICOL: Yes or no?

Mr. HOWE: That company is privately owned. It is the same old Abasand company; I can assure my hon. friend of that. It has never been a crown company; it is not a crown company at the present time and, I think I am safe in saying that it never will be a crown company.

Mr. MacNICOL: I recommend the Minister of Mines and Resources to read what the minister has just said, that it is not a crown company. I will not pursue the matter with the minister any longer, but when the Minister of Mines and Resources comes before the committee I will read to him the original contracts entered into by the government with the so-called private concern. There is no private concern about it to-day. I hope the Minister of Mines and Resources will get the memorandum the minister has on his desk because he will need it and every other memorandum he can put his hands on.

Mr. BOUCHER: When the Minister of Reconstruction was speaking this afternoon he referred to the fact that this bill really was enabling legislation to help in the operation of such crown companies as are now in existence or such others as the government may wish to create. Such companies as Polymer, Canadian Arsenals and Eldorado are already owned by the government; they have been financed by the government; they have been in operation and they have some revenue. What further financing does the minister want to do for them? I am thinking particularly of the powers set out in section 4 of the bill, which authorizes the governor in council at any one time to finance a company to the extent of $500,000 for additional working capital by way of loan or guarantee.

Then section 5 of the same bill provides that the governor in council may advance a further $500,000 at any one time in any one fiscal year —I suggest that this would permit as many half million dollars in as many fiscal years as they may wish—for the purpose of constructing, acquiring, extending or improving capital works and for the purpose of purchasing additional shares of capital stock. Taking the three sections together, and bearing in mind that there are three companies, Polymer Corporation, Canadian Arsenals and the Eldorado company, one can see the possibility of a great deal of government money going into these crown projects without sufficient notice to parliament. The companies will have the capital which they now possess, plus their increased earnings, which may be retained and may not be recalled by the receiver general, plus not more than $500,000 granted at any one time for the purposes of operation, plus a further number of $500,000 for extensions and improvements and the buying of stock, so long as not more than one sum of $500,000 is given within any fiscal year. If you add those amounts together you will see the possibility of huge sums of money being obtained by these crown companies without any actual vote by parliament until after the deed is done. It is true that a statement will be available to parliament by being laid on the table of the house at a future time. But combining these three things, it seems to me the minister cannot but agree that he is asking parliament at this time to make an unusually large concession at one time. If my interpretation of the bill is correct it will be dangerous for us to assent to it in its present form. Probably he can enlighten me on this point. He may say that my construction of the terms of the measure is not correct, that the government cannot add to the capital of these companies beyond what they already have, or it may be that the minister will see fit so to revise the terms of the bill that there will be something which will limit, more than it does at present, the amount of money which the governor in council can give these crown companies without first submitting the matter to parliament.

Mr. HOWE: Am I to understand, Mr. Chairman, that sections 1, 2 and 3 have passed by the committee? We are discussing at the moment section 4.

The CHAIRMAN: The section under consideration is section 1, short title, and it is usual to have a general discussion when section 1 is up for consideration.

Mr. HOWE: This is a very special discussion of section 4.

The CHAIRMAN: Does section 1 carry?

Mr. BOUCHER: With all deference to the minister, I say that it is not a question of section 4. It is a question which has in view the purposes of the bill under sections 1, 4 and 5. These are pretty nearly all the pith and substance of the bill, and I think that under the policy and procedure of the house this is the proper time to ask the question, because otherwise we are restricted to the one section. This question relates to three or four sections of the bill and how they are related to each other.

Mr. HOWE: I am quite willing to discuss section 4, but I had always understood that the principle of a bill was discussed on second reading and not in committee. However,

section 4 gives each crown company the authority to borrow from the Minister of Finance not more than—

The CHAIRMAN: Order. I think the minister is probably correct, and if he intends to discuss section 4 he might reserve his remarks until that section is reached.

Mr. HACKETT: I think the minister is adopting the proper policy in telling us something about this corporation. I do not believe that many members of the committee understand what is its purpose and how it functions, and if the minister can in a few sentences enlighten the committee, now is the time to do so. It may save a lot of time later on.

The CHAIRMAN: If it is the wish of the committee to discuss section 4 now, the chair will certainly not object, although I believe it would facilitate the proceedings of the committee if these sections were discussed as we reach them. If the minister is just going to make a few remarks with regard to section 4, without a general discussion, it might be satisfactory to do so now.

Mr. HACKETT: Before the minister commences, may I be permitted to say that many hon. members who have some acquaintance with business and finance are completely at sea concerning the method of operation and the purpose of creation of these and other corporations of a similar nature, and we would be profoundly grateful to the minister, who has a far broader knowledge of the operations of these corporations than anyone else, if he would give the committee the benefit of his experience and his information concerning them.

Mr. HOWE: Mr. Chairman, if I may resume, the purpose of section 4 is to permit each crown corporation to borrow from the Minister of Finance, for a period, up to a limit of $500,000 for operating, and up to a limit of $500,000 for capital purposes. It is simply a loan. A crown corporation differs from a private corporation in that it cannot borrow money from the usual sources. It cannot float a bond issue, nor can it borrow money from a bank except by authority of the Minister of Finance. This bill authorizes the Minister of Finance to guarantee a loan from a bank up to half a million dollars or alternatively make a temporary advance up to half a million dollars direct from consolidated revenue. That is simply banking accommodation. The important feature of the bill is that it allows each crown company to operate with money which it earns, which is not the case at the present time.

For example, Polymer corporation sets up a maintenance fund. It would be free to a private corporation to invest that maintenance fund for capital purposes or for any corporate purpose. Under the present practice that particular fund is paid to the Receiver General of Canada and is not available for corporate purposes unless voted. When this bill is passed the maintenance vote will still be paid over to the Receiver General of Canada, but it will be kept in a suspense account for corporate purposes of the company until the auditor general decides that the amount has become excessive, when it will be transferred from that account into the consolidated revenue fund. That is the difference between the present-day practice and the practice under this bill. But provision is made in this bill for borowing power up to half a million dollars for operating, and half a milion dollars for capital purposes. That money must be refunded before any further loan can be obtained. The amount outstanding can never be more than $500,000 for each account at any one time.

Mr. GREEN: That is, a total of one million dollars?

Mr. HOWE: Yes.

Mr. BOUCHER: I appreciate the minister's explanation, but I do not understand the section, because if he refers to section 4, he will find that there is a limit of $500,000 for operating expenses at any one time; but if he reads section 5, that is the latter part of it, he will see that the only restriction is that the advance or loan is not to exceed $500,000 in any fiscal year. That means, as I understand it, that in each fiscal year the government can advance this company $500,000 and the total could be much in excess of half a million dollars by reason of several advances. I see nothing in the bill to confirm the minister's statement that at no time can the advances exceed two loans of $500,000 or a total of $1,000,000, nor do I see anything which provides that a company must refund one loan before it can secure another. That is not in the bill.

Mr. HOWE: The fact of the matter is that the loan, under section 5, which is for capital purposes, is limited to $500,000 until it is cleared. It can be cleared in either of two ways. It can be cleared by vote of parliament for capital purposes, to replace it, or it can be cleared by the finance department taking additional stock in the company, as it has a right to do. The loan is limited to $500,000 for any fiscal year, and naturally there can be no further loans until the next fiscal year, until the first loan has been cleared.

Mr. BOUCHER: I cannot read in the bill anything to that effect. I hope that is the case, but I cannot see anything of that kind in the bill.

Mr. HOWE: It is stated clearly in paragraph (c) of section 5 that the Minister of Finance is authorized "to purchase additional shares of capital stock of a company and to pay for the same out of unappropriated moneys in the consolidated revenue fund." Unappropriated moneys have to be appropriated. There is no such thing as a vote of unappropriated moneys in the consolidated revenue fund.

Mr. BOUCHER: But there is nothing to say that they could not be appropriated to this crown company for each fiscal year for five, ten or fifteen years before any of the loans are paid back.

Mr. HOWE: They can be appropriated only by vote of parliament. My hon. friend is right. They must be appropriated by vote of parliament or otherwise refunded.

Mr. BOUCHER: The minister has stated that only on one occasion can they have a loan of $500,000. This section does not say anything of the kind, nor does any other section say anything of the kind. It does not say that they cannot have a number of appropriations by way of loan or advance to the company, of $500,000 each, and it does not say that they must pay back one loan before securing another. The section says that the governor in council may do it, not parliament.

Mr. HOWE: The governor in council can authorize an advance from unappropriated moneys in the consolidated revenue fund, but at the end of the fiscal year unappropriated moneys must be appropriated. No one in the government has the right finally to spend unappropriated money of the consolidated revenue fund. My hon. friend, having lived all his life within sight of the capital, must know government practice to that extent.

Mr. BOUCHER: Unfortunately I know it only too well, because it looks to me like locking the barn after the horse is stolen. The minister says that the governor in council can appropriate money, and there is no requirement saying that they cannot appropriate it again even though the first loan is not paid. The minister himself stated it a few minutes ago, but now his stand is not the same, which leads me to believe that, although he has lived in the capital for some years, and has been much more active in the capital treasury than the member for Carleton has been, he is not in a position to give an explanation.

[Mr. Howe.]

Mr. HOWE: My hon. friend is saying again and again that black is white while I am saying that black is black and we cannot get together in that kind of discussion. However, I leave it to any hon. member whether he can read anything else into that section.

Mr. HAZEN: Would not section 4 be clearer if the last four words of paragraph (b) were deleted, so that it would read "shall not, in the case of any company, exceed $500,000"? What is the purpose of putting in the last four words, "at any one time"? It seems to me that the company is limited to an advance of $500,000. Why put in those words, "at any one time"? That creates the impression that at another time they can get another $500,000.

Mr. HOWE: The company might very well need an advance of $500,000 in August to buy coal for the winter, and by December it might be able to pay off that $500,000. By March it might need another $500,000 for inventory for something else, and that might be liquidated later on and a third loan made in the fiscal year. But let me point out that the advance can never be more than $500,000 at any one time. You can borrow $500,000 several times in the year if you pay back earlier borrowings.

Mr. BOUCHER: I do not follow the minister. Section 4 says, not more than $500,000 at any one time, but section 5 does not say that: it says, not to exceed $500,000 in any fiscal year. There is a vast difference in wording as between the two and in the meaning of the enactment by virtue of the difference in wording.

Mr. MACDONNELL (Muskoka-Ontario): Perhaps the minister on the one hand and the hon. member for Carleton and myself on the other are really in agreement if he can explain the position. I understand that under section 4 advances up to $500,000 can be made, but it must not exceed $500,000 at any one time. But my understanding is that under section 5 advances or payments or subscriptions, whatever you choose to call it, may be made at the rate of $500,000 each year, because it is not the aggregate of the amount outstanding but the aggregate of the amount paid under paragraph (b) which shall not exceed $500,000. My understanding is the same as that of the hon. member for Carleton. Under section 4 you have an aggregate of $500,000, but under section 5 you can go on year after year, $500,000 each year. Is that the minister's understanding?

Mr. HACKETT: And at the end of five years you have $2,500,000.

Mr. HOWE: Let us go about this thing quietly and see if we cannot understand it. My hon. friend has operated in business for a long time—

Mr. MACDONNELL (Muskoka-Ontario): We are going about it quietly. We want to be sure that we understand the same thing.

Mr. HOWE: Section 4 gives the company an operating credit of $500,000, a limit—

Mr. MACDONNELL (Muskoka-Ontario): Yes, I understand.

Mr. HOWE: A banker would take you aside and explain what a line of credit is, with a limit of $500,000. You can borrow up to $500,000 and do it repeatedly, provided that you pay it off in the meantime. It is a floating credit.

Mr. MACDONNELL (Muskoka-Ontario): I understand that.

Mr. HOWE: The second is a loan for capital purposes, a loan that goes into the property.

Mr. MACDONNELL (Muskoka-Ontario): But is it a loan? Is it not a purchase? Paragraph (c) talks about a purchase of shares.

Mr. HOWE: It can be cleared in several ways. The provision is for an advance for capital purposes and the advance must be covered. It can be a loan repayable from a vote of parliament, or it can be a purchase of shares by the government, a purchase of interest by the government.

Mr. MACDONNELL (Muskoka-Ontario): Supposing an amount of $500,000 is used this year for a purchase. Then the hon. member for Carleton argues, and I argue, in this way: All right; that is $500,000 which is paid this year, and next year the same thing can be repeated, and the next year. Does the minister agree? If he does, then we are all at one. That is the way it reads, surely.

Mr. HOWE: I would point out that the advance is made from unappropriated moneys and the money must be appropriated. In other words, in between, before another $500,000 is made available, they must come to parliament and get an appropriation. They must change unappropriated moneys into an appropriation.

Mr. MACDONNELL (Muskoka-Ontario): But we are talking about whether it can happen year after year and, as I understand, you are agreeing to that.

Mr. HOWE: It can, if parliament votes it. Parliament must vote the money.

Mr. HACKETT: The minister said that the corporation might not keep the moneys that it made as profit through its operations.

Mr. HOWE: At the present time.

Mr. HACKETT: Is there anything in this bill that expresses the effect of the statement the minister has made?

Mr. HOWE: When this bill passes, the company will be able to use its earnings for corporate purposes.

Mr. HACKETT: Is that section 3?

Mr. HOWE: Yes. The section reads:

> Every company shall establish and maintain in its own name one or more accounts in the Bank of Canada or a chartered bank approved by the Minister of Finance and shall deposit therein all moneys received by the company and shall pay out of the said accounts all administrative and operating costs and expenses of the company.

Mr. HACKETT: When one reads that section with section 6 which gives the minister or the Minister of Finance the power to take back anything that is conceded to be in excess of the requirements of the company, what are the particular uses of section 5?

Mr. HOWE: Once it is out of section 6, then it is gone. It goes into the consolidated revenue fund. The requirements for capital come up very suddenly. For example, the Polymer Corporation is in many different kinds of business. Its main business is the making of rubber. It also sells the by-products of petroleum in several forms. For example, there is a demand now for additional styrene, and apparatus is being installed with some urgency to increase the cut of styrene. That happens in any chemical company; and if funds were not in hand to-day, section 5 of the bill would be invoked and the Minister of Finance would be asked to advance the required sum in excess of $500,000, to be repaid either from earnings or be appropriated by parliament, as the case may be.

Mr. BOUCHER: Now that the minister has agreed with me that the governor in council may appropriate $500,000 for extensions or for the buying of capital stock, construction and acquisitions of the company each fiscal year, the limit is not $500,000 as he stated; it is $500,000 in any one fiscal year, which may be accumulated over a number of years by $500,000 each fiscal year. Does he also agree with me—

Mr. HOWE: Mr. Chairman—

Mr. BOUCHER: If the minister wishes to answer he may do so.

Mr. HOWE: I agree with nothing of the kind. My hon. friend may keep on saying that for the rest of this evening, but I do not agree with him.

Mr. BOUCHER: The minister's statement was clear, and that is what I at least took from what he said. He said they could appropriate $500,000 in one fiscal year for the buying of stock and the acquisition of property under section 5. The next fiscal year they could get another appropriation of the same amount. That is what section 5 says.

Mr. HOWE: Put this proviso down in writing and keep it in front of you: Provided that in the meantime the appropriation is voted by parliament; provided that parliament votes the money that has been appropriated in the previous year.

Mr. BOUCHER: That is not in the bill. The bill says:

The governor in council may . . .

Even though parliament does appropriate the money, it gives the same result. The result is that a company like Polymer, which the minister says has made so many million dollars, can over and above any appropriation it seeks from parliament, use all its profits for its own purposes or for any purpose it may see fit without consulting parliament at all. Is that not correct?

Mr. HOWE: Yes, it can use its own earnings.

Mr. McMASTER: As I read sections 4 and 5, they deal with entirely different matters. As I read section 5, it deals with the carrying on of the operating end of the business. As the minister said, at one time they need money to buy materials, and at another time to buy coal. Section 5 seems to me to deal with capital expenses.

Mr. HOWE: That is correct.

Mr. McMASTER: If that is so, then following what the hon. member for Carleton has said, is it a fact that each year they could be advanced $500,000 for capital expenses?

Mr. HOWE: Yes, that is correct, provided —and this proviso is reiterated—that in the meantime parliament votes $500,000 to the company for capital purposes to clear the last advance that has been made. If the proviso does not wrok it cannot be done.

Mr. BRACKEN: Where can we find in the estimates the appropriation from which funds for this purpose will be drawn?

Mr. HOWE: The present arrangement obtains. In other words, if this is a company under the Department of Reconstruction and Supply it would be an item in the estimates of the Department of Reconstruction and Supply.

Mr. BRACKEN: Could not the minister, through his advisers, tell us where that item is in the estimates?

Mr. HOWE: There is no such item.

Mr. BRACKEN: I wanted to ask that question, and I wish to ask one other. Is there a blanket vote from which the moneys required for these corporations may be drawn? The minister has referred to parliament voting money for particular companies. I rather doubt whether the minister will bring down estimates showing a separate vote for each company. I expect to find it in some blanket vote, and we shall not understand what it may be used for.

Mr. HOWE: There has been no occasion for individual votes. The money has been appropriated in the war appropriation under a blanket vote. In fact, the war appropriation for the whole cost of the war was contained in one bill; but under the arrangements of this bill there must necessarily be a separate item for each repayment. In other words, it would be a vote to repay a recoverable advance. It must be a separate vote. If this is a vote for general purposes it would be so labelled. But the item under section 5 would call for a specific vote for a particular company.

Mr. BRACKEN: That is the question I am asking. We are over two months into this fiscal year, and there are ten months ahead of us. If this measure goes into operation, surely there must be an appropriation already in the estimates.

Mr. HOWE: There may be.

Mr. GREEN: May I call the minister's attention to the fact that on page 74 of the main estimates, item 609 reads:

Administration, reconversion and operation of crown companies and/or crown plants, $20,000,000.

There is an increase of $16,000,000 over the vote for the last fiscal year. Is that the vote to which the minister refers?

Mr. HOWE: Yes, that is correct. The reason for the increase is that last year the companies had considerable revenues. This year it is a question of the clean-up of contracts, and the amount was increased accordingly. I shall be glad to give a full explanation of the items when the estimates of the companies are reached; but that is not an item that is used to finance these particular companies. It is more a clean-up item of the companies that are now out of business.

Mr. BRACKEN: I do not mean to embarrass the minister, but if this measure is to come into operation in this fiscal year and it requires funds the question I was asking is, where in the estimates shall we be able to find the vote? Is it a blanket vote from which the governor in council may draw funds as it requires them for these separate companies? The minister said that he would be asking for a specific vote for each of these companies. From the answers given so far I rather question whether he is correct in that statement.

Mr. HOWE: Any money borrowed under sections 4 and 5, unless it can be repaid from the operations of the company, will be repaid by a specific vote for a specific company. My hon. friend has referred to requirements. Polymer, for instance, will require no funds from the government during the coming year; its earnings will be quite ample to take care of its requirements. Park Steamships will require no funds; its earnings are ample to take care of its requirements. Eldorado may or may not require an appropriation, depending upon the amount of exploration work undertaken during the current season. Wartime Housing, of course, does require appropriations, and these are in the estimates; I refer hon. members to item 607, covering housing developments and including commitments of previous years. Canadian Arsenals will require an appropriation. Whether or not that appropriation is spent will depend upon the experience of the first year. We shall have certain extraordinary expenses involved in organizing Canadian Arsenals and moving and placing the equipment, but we hope that in future years Canadian Arsenals can operate without an appropriation from parliament.

Mr. BRACKEN: I think the minister can clear up my difficulty with one answer. I gather that in the estimates for this year any appropriation asked for is a bulk appropriation and that there will not be specific votes for specific companies. I also gather from the minister that in future there will be specific votes for specific companies?

Mr. HOWE: That is right.

Mr. BRACKEN: If that is the minister's intention I have my answer.

Mr. HOWE: That is correct.

Mr. BRACKEN: It is not in the estimates in that way this year, but in future the requirements of specific companies will be asked for in the estimates?

Mr. HOWE: Yes; that is with companies borrowing under the bill. It must be the case.

Mr. HACKETT: Can the minister come to my assistance in this matter? He has explained section 3, under which in future a crown company may have to its credit moneys which it earns. Then section 6 provides that the minister or the Minister of Finance may take those moneys from the company. Will the minister state the difference in method and purpose between sections 4 and 5, in getting new moneys for a company?

Mr. HOWE: Section 3 permits the company to use its revenues for operating purposes. Section 6 provides that if the company does not believe it is time for a dividend to the consolidated revenue fund, the Minister of Finance may step in and say that the dividend shall be paid. Sections 4 and 5 are to cover temporary borrowings, one for current purposes and the other for capital purposes, borrowings which can be made in advance of authorization by parliament, but which must be cleared by parliament before a further advance can be obtained.

Mr. HACKETT: Section 4, then, covers borrowings for temporary purposes; and section 5—?

Mr. HOWE: For capital purposes.

Mr. HACKETT: I have some difficulty in understanding that section 5 has to do with borrowings for capital purposes, since it entails the sale of securities. Is that considered a borrowing for capital purposes? I refer particularly to section 5 (c), which authorizes the Minister of Finance to purchase additional shares of capital stock of a company and to pay for the same out of unappropriated moneys in the consolidated revenue fund.

Mr. HOWE: Perhaps I can explain it in another way. The Minister of Finance has no money of his own. This is authorizing him to borrow money from the consolidated revenue fund, which he does out of unappropriated moneys in that fund; but that money has to be paid back to the consolidated revenue fund by way of an appropriation. An appropriation will be required to square the Minister of Finance and his consolidated revenue fund before he can make another loan from the same source.

Mr. MACDONNELL (Muskoka-Ontario): Perhaps I am stupid, but I still think the minister is either confused or is confusing us

or we are confused; it is one of the three, and I am not sure it is not the first. The minister still speaks of this as a loan to the company, but I still find it difficult to understand that purchasing a company's stock is making a loan. Paragraph (c) of section 4 speaks of purchasing additional shares of the company's stock. Is that what the minister speaks of as a loan to the company?

Mr. HOWE: I think we would get on much faster if we took up this bill clause by clause. The point is that this stock is purchased with unappropriated moneys, and nobody can spend unappropriated moneys permanently without going to gaol. Unappropriated moneys must be appropriated at some stage.

Mr. MERRITT: That is the point that is troubling me. I know very little about finance, but it seems to me that section 5 is a statutory authorization to pay money out of unappropriated moneys in the consolidated revenue fund. Then, if at the end of the year the auditor general asks for the authority for the payment of, say $500,000, the production of the order in council under section 5 of this measure would be adequate authority for that payment and adequate appropriation of the money. Therefore it would not be necessary for the minister to come back to parliament and recoup that $500,000 by an item in the estimates. It would seem to me that the only limit to this would be the existence or non-existence of unappropriated money in the consolidated revenue fund at any particular time. If I were to pay my annual income tax of $500,000 and it happened to be lying there the day the minister wanted some money, under this section he could take it without putting an item in the estimates; or if it appeared in the estimates it would be like the family allowances, for instance. That is, it would be a statutory item, just as the minister's salary is a statutory vote which does not require to be discussed and passed in committee of supply.

Mr. HOWE: My hon. friend it quite mistaken. This is not a statutory vote; it is not a vote at all. This gives permission to make temporary borrowings, which must be repaid by means of appropriations. If it were a statutory vote it would say so. The vote covering the salary of the minister, for instance, is a statutory vote, but this only gives permission to borrow up to this amount each year.

Mr. BOUCHER: I may be hard to convince, but is it not a fact that after this bill is passed an order in council itself will be sufficient appropriation to authorize the government to advance the money? What further steps will be necessary?

Mr. HOWE: The further step is a vote of parliament appropriating the money.

Section agreed to.

On section 2—Definitions.

Mr. GREEN: During the discussion on second reading of this bill there was quite a bit of talk about the ways of forming crown companies, and I think this is a good time to have that straightened out. If I am wrong in any of the statements I make about the method of incorporating these companies I hope the minister will correct me. As I understand it, these crown companies, formed under part I of the Dominion Companies Act had never been used until the war. During the course of the war the Department of Munitions and Supply decided that it would be a good idea to set up crown companies in that way. The minister, who was then Minister of Munitions and Supply, was given power to do so in the session of 1940. That is found in chapter 31 of the statutes of that year, which is an act to amend the Department of Munitions and Supply Act. The power to bring about the incorporation of these crown companies is set out in subsections 3 and 4 of section 6, as enacted in 1940. Those subsections give the minister this wide power, namely that of bringing about the incorporation of crown companies under the Dominion Companies Act.

It was done, I believe, by having employees of the government sign the necessary application for letters patent just in the same way a private businessman would sign an application leading to the formation of a company under the Dominion Companies Act. The act to which I have just referred put no restriction whatsoever upon the number of companies which could be formed through the minister in that way. That provision is still law.

That section of the Department of Munitions and Supply Act is still law; so that right up to the present time under that act the minister has power to procure the incorporation of any number of crown companies he thinks should be formed. As I have said, the act is still in force.

Mr. HOWE: Only for the purposes mentioned in the act. The minister can only delegate powers given to him in the act. My hon. friend voted for it; I presume he thought it was all right then.

Mr. GREEN: The minister will admit that the powers given are quite wide.

Mr. HOWE: Not too wide. They were related wholly to war.

Mr. GREEN: At the last session we passed the Department of Reconstruction and Supply Act, which is chapter 16 of last year's statutes. Under section 6 of that statute the minister was confirmed in all the powers he had under the Department of Munitions and Supply Act. So that, as long as the Department of Reconstruction and Supply Act remains on the statute books, the minister will have that power to set up crown companies which he was given by section 6 of the Department of Munitions and Supply Act. Again, there is no limit on the number of companies he can set up.

Mr. HOWE: Provided that they are for the purposes specified in the act, which relate wholly to war. There being no war, I think it would be difficult to find a basis for setting up any new company under that act. In any event, when the Department of Munitions and Supply was called upon to set up War Assets Corporation it did not proceed under the Department of Munitions and Supply Act, because that was not within the competence of that act. It came to parliament for a separate bill.

Mr. GREEN: Of course my submission on second reading was that any new companies to be formed should be formed in the same way as War Assets Corporation was formed, namely, by special statute of parliament.

Mr. HOWE: That would necessarily be so, in my opinion.

Mr. GREEN: Will the minister say, then, that there will be no more crown companies set up under the provisions of the Department of Munitions and Supply Act or the Department of Reconstruction and Supply Act?

Mr. HOWE: Yes.

Mr. GREEN: Well, then, under Bill No. 154, which is a bill to amend the Research Council Act, power is given to procure the incorporation of these crown companies.

Mr. HOWE: Yes.

Mr. GREEN: No limit is set upon the number of companies they can incorporate.

Mr. HOWE: It is limited to the purpose of the act. That is, as long as they keep within the field of the national research council, they are all right.

Mr. GREEN: Then, again, under the atomic energy control board act, the same power is given.

Mr. HOWE: It has not yet been given.

Mr. GREEN: We have not yet seen the bill. However, in the discussion on the resolution preceding the bill we were told that power would be given to set up crown companies under part I of the Dominion Companies Act.

Mr. HOWE: For the purpose of carrying out the bill.

Mr. GREEN: With no limit set as to the number that could be set up. I suggest to the minister that there is also power to set up these crown companies under the provisions of the National Emergency Transitional Powers Act which was passed at the last session, and which remains in effect at the very least until after the house meets next spring. Then it may be extended for a further time.

Mr. HOWE: Under what section of the National Emergency Transitional Powers Act, 1945, would we set up companies?

Mr. GREEN: Under the general powers contained in that act.

Mr. HOWE: No; those are limited powers. I would refer the hon. member to section 2 where it states that the governor in council may do such acts and things as are deemed necessary or advisable for the purpose of certain things set out in paragraphs (a), (b), (c), (d) and (e). I believe the hon. member would have difficulty setting up companies under that.

Mr. GREEN: The minister thinks there would be trouble in doing that?

Mr. HOWE: Yes.

Mr. GREEN: At any rate, there are these other ways of setting up crown companies at the present time.

Mr. HOWE: By authority of parliament.

Mr. GREEN: My point was this: Parliament passes, let us say, the Research Council Act. There is then no necessity for the research council to come to parliament to obtain approval respecting any of the companies they wish to set up. I was suggesting that parliament should pass on each company rather than give a blanket power to the research council to set up any company they might see fit to set up. That is where the minister and I do not see eye to eye as to what would be the best policy.

Mr. HOWE: My difficulty is to discuss three bills at the same time. I have said that the bill we are now discussing—and the only bill we are discussing—does not give authority to set up any crown company.

Mr. GREEN: But what the bill does do, in the section we are now discussing, is that it describes a company. The section states:

"Company" means a company incorporated under part I of the Companies Act, 1934, all the issued shares of capital stock of which are owned by or held in trust for His Majesty in right of Canada, except shares necessary to qualify other persons as directors.

So that the provisions of this bill are so broad that they cover every crown company, do they not?

Mr. HOWE: Every existing crown company.

Mr. GREEN: No; any crown company to be set up in the future is covered by section 2.

Mr. HOWE: No; they do not cover a company until it is in fact set up. I know of no way of setting up a crown company to-day, except by coming to parliament. Perhaps my hon. friend can tell me a way.

Mr. GREEN: I suggest to the minister that I have already told him the way that it is done and I think he agreed with my statement. For example, under the Research Council Act, once the amendment is passed the council will have the power to set up any corporation it wishes.

Mr. HOWE: For the purposes of the act and provided that power is given by parliament to the research council. It could not do it to-day.

Mr. GREEN: I admit that, but having got that power they can set up any company. Let us say that they set up five companies; each one of those five companies would come under this blanket bill. The minsiter will not deny that.

Mr. HOWE: Of course, but my hon. friend will remember that anything the companies could do, the national research council could do without the companies.

Mr. GREEN: I suggest to the minister that that is a very good reason why the national research council does not need to set up companies at all.

Mr. HOWE: Which bill are we discussing? Do I get any protection? Do I have to discuss four bills at once?

Mr. GREEN: Surely the minister is not asking for protection. We will call in the mounted police to help him out.

The CHAIRMAN: The committee is considering section 2 of a bill respecting the operation of government companies. All discussion should be relevant to that section and to this bill.

[Mr. Howe.]

Mr. GREEN: I was speaking of crown companies. Paragraph (a) of this section also has great significance and it supports the argument I made last night. It reads:

(a) "Minister" means, in relation to each company, the minister who has direction or control of the affairs of the company.

I suggest that that is worded broadly enough for any minister in any dominion cabinet to operate under this bill if there happens to be a crown company set up dealing with the business of his department.

Mr. HOWE: Under part I of the Companies Act.

Mr. GREEN: Yes. I think there can be no question about that. That is one of the conclusions I was trying to reach in my speech last night, and I think the minister's answers this evening have made it perfectly clear that that is the situation. There is power taken under this bill to provide for the operation of any crown company that is set up under part I of the Companies Act, and there is no limit to the number of companies that can be dealt with under the bill. Any minister has the power to operate under this bill if he has a crown company mixed up with his department.

Mr. HOWE: Organized under part I of the Companies Act.

Section agreed to.

On section 3—Bank accounts.

Mr. KNOWLES: This section provides that every company shall establish and maintain a bank account in the Bank of Canada or one of the chartered banks. I should like the minister to clear up a point that arises in my mind in connection with this section. As I read the section, it implies that a company could carry on its banking business either with the Bank of Canada or with a chartered bank, the company is given a choice. If that is the case, and if it is possible for a company to do all its banking business with the Bank of Canada as well as with a chartered bank I should like to know if consideration was given to wording the section so that these crown companies would do all their business with the Bank of Canada.

Mr. HOWE: My hon. friend will note that the company is instructed by the Minister of Finance as to the bank with which it will do its business. It so happens that the Bank of Canada does not do commercial banking, and therefore I think an active crown company would hope that the minister would place its account with a chartered bank.

Mr. KNOWLES: I thought that was the reason for the section. I do not deny that I would prefer that all the business be done with the Bank of Canada, but in the light of what the minister says I am still bothered by the wording of the section. It says, "Bank of Canada or a chartered bank approved by the Minister of Finance." That seems to imply that it could be done with either one. If what the minister says about the inability of the Bank of Canada to carry on this type of business is correct, then it seems to me that there should be a change in the wording of the section.

Mr. LENNARD: How could a crown company located in northern British Columbia utilize the facilities of the Bank of Canada? In that case, it would be only common sense to use one of the chartered banks.

Mr. HOWE: Yes.

Section agreed to.

On section 4—Additional capital.

Mr. MACDONNELL (Muskoka-Ontario): The third line of this section refers to additional working capital. I draw the attention of the minister to the explanatory note, which reads:

> It may also be desirable, where statutory authority exists, to incorporate similar companies to carry out other special projects. The present bill is intended to provide for the financing of such companies . . .

I think in our consideration of the bill so far we have been talking mainly of existing companies. Will the minister explain the financial arrangements which would be made on the inception of a new company? Section 4 implies that the company is already a going concern financially, because it speaks about additional working capital. Where would the first financial resources comes from?

Mr. HOWE: If the company is set up by an act of parliament the initial money could be obtained by an appropriation of $500,000 as a working advance, or it could be provided with capital from a vote of parliament. It must be one or the other, surely.

Mr. MACDONNELL (Muskoka-Ontario): You made it clear to us that in many of these cases there would not be any occasion to come to parliament. There is already power given to the various departments for the purposes mentioned. If I understood you correctly, what you are saying is that the company would then proceed to avail itself of the financial powers under this bill, but surely the phrase "additional working capital" cannot be appropriate. The word "additional" implies that it is already a going concern.

Mr. HOWE: I am mistaken. The provision is not intended for the purpose of starting a new company. The appropriation would have to be provided from some source.

Mr. MACDONNELL (Muskoka-Ontario): If it were one of the companies contemplated under the Research Council Act that would not be done by parliament; that would be done by an executive act.

Mr. HOWE: It would have to come from the national research council appropriation or from moneys at the disposal of the national research council. The national research council has money of its own from two sources, from gifts and earnings, which represent quite a substantial sum, and from annual appropriations of parliament. With the consent of the treasury board the money could be diverted from one source to another.

Mr. HAZEN: I should like to ask the minister a question which he may have answered already. The question is this: will the money which is advanced by the Minister of Finance to these crown companies by way of a loan under section 4 be voted by parliament before it is advanced, or will it be advanced by the Minister of Finance and parliament be asked later to provide the money?

Mr. HOWE: This gives power to the Minister of Finance to advance up to $500,000 to a company without the consent of parliament. The expectation will be that the money will be repaid from the earnings of the company. But, if not, the minister responsible for the operation of the company must come to parliament, explain why an appropriation is necessary, and obtain the appropriation. If he is unable to obtain the appropriation the borrowing power of the company is ended.

Mr. MACDONNELL (Muskoka-Ontario): I still query this word "additional". If I understand the situation the minister is tying himself there unnecessarily. I do not see why that word "additional" is there. It seems to me that he may want to use it for companies which are not going concerns at all.

Mr. HOWE: This bill is drawn to deal with existing companies which have capital. If it could be enlarged to deal with new companies the department would have no objection, but it was designed to deal with companies already in operation which have a capital, and I think it would be better to leave it that way.

Mr. MACDONNELL (Muskoka-Ontario): That is not according to the explanatory note The explanatory note states:

It may also be desirable . . . to incorporate similar companies to carry out other special projects.

If I read that correctly it means that it is not intended to apply only to going concerns. There is the research council and, as the hon. member for Vancouver South points out, there may be many others. I suggest earnestly that the minister look at that word "additional".

Mr. HOWE: The $500,000 was not supposed to be working capital. It was a temporary advance.

Mr. MACDONNELL (Muskoka-Ontario): It is called "working capital".

Mr. HOWE: It is called "additional working capital." No chartered bank would advance working capital to a firm that had none, I should think. It would expect the firm to have a certain amount and would advance them additional working capital from time to time as required for temporary purposes. That is the purpose of this particular section. It is not to provide capital to a company being established. We are assuming that the authority that established the company also provided it with capital.

Mr. GREEN: There is one question which I should like to ask under this section. Is it the intention that Canadian Arsenals Limited will make ammunition for sale to the public, for example for hunting or other uses of that kind?

Mr. HOWE: That has never been the purpose of the arsenals. Arsenals make ammunition and make weapons only for the armed services.

Mr. GREEN: Well, the minister said the other day that he expected that Canadian Arsenals Limited would operate at a profit. How is that profit to be made if there are to be no sales to the public?

Mr. HOWE: I do not know that I said that it would operate at a profit. I said that I hoped it would pay its way. The purpose is to charge the defence departments for work placed at the arsenals, at current rates. In other words, instead of getting a blanket appropriation for the arsenals and doing work for the services free, the services are charged at commercial rates for the work which they place with the arsenals.

Mr. GREEN: And it is not intended to sell any of the products made by Canadian Arsenals Limited to any buyer except some other department of the dominion government?

Mr. HOWE: Well, that is hardly true. We were speaking of weapons. The hon. member spoke of guns and ammunition. It so happens that at the present time Canadian Arsenals Limited is making fertilizer, which is sold to the public; it is also making diacyanamid, which is also sold on the markets of the world; and it is making sulphuric acid, which is sold to private concerns. These are by-products of the operation, and they are being maintained because part of the plant must be kept as a stand-by resource for making picrite, which is an explosive material peculiar to war and not sold to the public.

Mr. GREEN: These articles then, are being sold in competition with private business?

Mr. HOWE: I presume so, yes.

Mr. GREEN: The minister said earlier this evening in answering my speech of last night that none of these crown companies was to be in competition with any private business in any way.

Mr. HOWE: Well, there are exceptions to anything. These are by-products of an operation; they are sold at a world price, and they may be competitive, but I do not think there is any crime in that. There is at the moment an acute shortage of all these articles. I doubt if my hon. friends could say that they are in competition.

Mr. GREEN: I just wanted to get the facts straight, and now we have them, that there is to be competition with private industry.

Mr. HOWE: Well, if you call it that.

Mr. FRASER: Are they sold direct to the consumer, or are they sold through an agency?

Mr. HOWE: I assume that in Canada they would be sold direct to the consumer, but 95 per cent of the sales are foreign sales and are made through agents.

Mr. FRASER: The minister says he "assumes" they are. He is not sure?

Mr. HOWE: Well, I am quite sure that if anyone applies to the arsenals for a carload of anything they will sell it to him.

Mr. FRASER: They will sell it direct?

Mr. BRACKEN: I have just one observation to make, and I am looking at the estimates. I think it is quite clear now what procedure is intended under this legislation. One item here is:

609. Administration, reconversion and operation of crown companies and/or crown plants.

Under that item the department asks for $20 million this year as contrasted with $4 million last year, an increase of $16 million. Then another item is:

611. To provide recoverable advances for working capital purposes and to authorize, subject to regulations to be approved by the governor in council on the recommendation of the treasury board, the re-advancing for working capital purposes of any amount received by way of repayment of advances for working capital purposes provided hereunder or from war and demobilization appropriations in previous years.

The amount there is an extra $10 million.

Mr. HOWE: At one stage of the war it was $600 million.

Mr. BRACKEN: That may be. One of the criticisms which we have been making is that this is a blanket measure for the operation of government companies, some of which are already formed, others of which may be formed. There has been no detail given in the discussions on this legislation as to the assistance to be provided for each of these companies. There is no detail given in the estimates before the committee. There are these two large blanket votes. It is quite clear to me that under each of these two votes the governor in council has power to make these advances to the different companies, and that the house may never see or have that information. What I was trying to get from the minister a while ago was whether in subsequent estimates we shall have an item for each of these companies. He intimated that there will be. I think he answered that question too quickly, and what we shall be asked to do is to vote a bulk sum under these two items of $26 million which then will be at the disposal of the governor in council through these crown companies or otherwise to disburse as they like under legislation which has previously been passed. Whether that is good or bad, I believe it is a fair statement of the legislation with the estimates which are before us.

Mr. HOWE: If my hon. friend will look at page 74 of the main estimates, from which he was reading, at the top of the page, he will notice that this is a special item on demobilization and reconversion. In other words, it is a transitional vote, and that is only part of the total vote, most of the estimates being voted specifically. But in that vote there are blanket items; and the purpose of this legislation, the purpose of the government, and the purpose particularly of reconstruction and supply is to liquidate war accounts so that we can get back on a specific basis. The object of this bill is to enable us to do precisely that, instead of depending on blanket votes, so that each vote of parliament may be for a specific purpose. That is why I gave the undertaking.

Mr. BRACKEN: I do not want to protract the discussion. Do I gather that the minister does intend in future to have a specific vote for each of the companies—

Mr. HOWE: That is right.

Mr. BRACKEN: —but that for this year there is only a bulk vote from which the governor in council may draw as in his judgment he deems necessary?

Mr. HOWE: This is a transitional period, and we are trying to get back to the condition which both the hon. gentleman and I desire.

Mr. BRACKEN: I hope the transitional period will not continue for too many years.

Mr. CASE: In connection with section 4, do I understand that the Minister of Finance can advance up to $500,000 to any one company in any one year? There is no number of companies stated, but there is provision for up to $500,000 in any one year. That is the limit.

Mr. JACKMAN: Why in this bill does the government seek to depart from the system carried on under the Canadian National Railways Act, whereby any profit from year to year is turned over to the consolidated revenue fund and, if the railway needs it, it is voted to the company by act of parliament. Why are any profits allowed to stay in the company, no matter how large they may become, instead of being turned over to the consolidated revenue fund as in the case of the railway? The growth of companies in this country, and in other countries as well, is the result of ploughed-in profits; and I see no reason why, if some of these government companies are successful by reason of charging high prices for patent rights and so forth, they should not become extraordinarily large and take an undue share of the business of the country. If the minister will give me his attention, would he also couple with his answer a statement as to why the government, in the case of the T.C.A., has a five per cent interest rate on capital advanced to that government-owned company, whereas in connection with these contemplated government-owned concerns, some already in operation, apparently no interest charge is being made?

Mr. HOWE: Is my hon. friend referreing to the Canadian National Railways Act? What is his interpretation of the act?

Mr. JACKMAN: If there is any profit in the Canadian National railways, as fortunately there has been in the last few years—a surplus of $24,000,000 last year and an estimate this year of $7,000,000—it is not kept

in the funds of the company to revolve around there and be used again this year and in subsequent years, but is repaid to the government.

Mr. HOWE: The only reference to the question I find in the act is that, whenever the accounts of the railway system, certified by the auditors appointed by parliament, show surplus earnings, after payment of all charges including interest on securities held by the public, the directors of the Canadian National Railway company may cause to be paid over to the minister for the consolidated revenue fund all or any part of any such surplus earnings.

Mr. JACKMAN: Perhaps the "may" is permissive and not mandatory; I do not know whether in the case of crown companies "may" is taken to mean "shall."

Mr. HOWE: What does "any part" mean?

Mr. JACKMAN: I do not know; but certainly it has been the custom, and I suggest it is a very good custom, for them to do it. In the case of the Canadian National Railways it goes to pay off debt held by the government; nevertheless it is a surplus for the year and is returned to the government. My position is perhaps strengthened by the fact that when the Canadian National Railways require money for capital expansion they have to come to parliament for a vote for the various items, which are approved first of all in the railway committee and then presented to the house for approval before the railway can buy any more rolling stock or build bridges or make other expansions. That is a good principle; and the principle with regard to earnings being turned over to the government is also very important because, as I mentioned, the only way by which a company grows—the history of companies indicates this—is by the shareholders refraining from taking the last cent out of current earnings after taxation but, instead, leaving it in the concern and allowing it to accumulate. That is the way in which companies become large over a period of years; and while some of these crown companies may start on a small basis, if they are allowed to retain these earnings they may become a veritable octopus and do a very great proportion of the business in any particular field in the dominion.

Mr. HOWE: I pointed out the provision in the act which permits the Minister of Finance to take any money which he regards as surplus to the requirements of the company, and that is carried out in this case. Every two weeks the bank account of Park steamship company is moved into the consolidated revenue fund, and that is the case with several crown companies that have earnings. Any money not required for the operation of the company is drawn into the consolidated revenue fund on the demand of the Minister of Finance.

The CHAIRMAN: It seems to me that the question of paying profits into the consolidated revenue fund would more properly be discussed under section 6.

Mr. JACKMAN: The point I am making has to do with a revolving bank account and it may be discussed under section 3, 4 or 6. It does not make very much difference where the minister discusses it, but I should like to get an answer. The minister has not indicated why in this bill there is not inserted a principle similar to the one in the Canadian National Railways Act where it is permissive, if not mandatory—and I question whether that permissive provision does not mean it is mandatory as applied to a crown company. He has not answered why it would not be a good idea for these companies, if they do make a profit from year to year, to pay it into the consolidated revenue fund, which provides the capital whereby the profit is made, and then, if the company requires money to grow, it can be revoted by this house. There is the same principle, almost, in relation to private business and cooperatives. Where you have untaxed profits they quickly mount up, and that enables you to expand in a way in which private business cannot expand and therefore is unable to compete. I see the same principle here, if one carries it far enough. One does not know how far these government-owned companies may go, how large they may become, and we must be careful that parliament keeps close control over the direction in which the business tends. The minister should explain to the committee why he does not want that principle adopted in this bill.

There was a second question I asked with reference to the five per cent charged on capital in connection with the T.C.A. Why should that principle not be incorporated in connection with other government companies?

Mr. HOWE: This bill was drawn primarily to apply to existing companies; that is, companies which have capital sufficient for their purposes. The provisions suggested by my hon. friend might be appropriate for one company and not for another, for example, a trading company. It would be difficult for it to put up an actual budget requirement. This is an act of general application, and I think no grave abuse can accrue under the terms thereof.

Mr. MacNICOL: Will these companies that the minister has in mind setting up under this bill be set up in somewhat the same manner as the Dominion Magnesium company, which operates at Haley's Corners, was set up?

Mr. HOWE: The Dominion Magnesium company was never a crown company.

Mr. MacNICOL: I may say to the minister that this country voted, right here in this house, millions and millions of dollars for that company and others, and now we are told that they are not crown companies. Later on, where shall I be able to get full proof as to the Dominion Magnesium company's set-up and operations? I remember the glowing accounts that the minister gave in this house of what a great thing the Dominion Magnesium company would be for this country, and how it would make lots of money not only during but after the war, and we now see what a mess it has got into.

Mr. HOWE: The Department of Munitions and Supply by direct expenditure built a plant at Haley's Corners for the manufacture of magnesium. It made a contract with a group of men with specialized experience to operate the plant for the government without fee. It was a very simple operation, but there was no crown company. It was simply a directly owned government plant operated by arrangement with a group of men with specialized knowledge, of whom Doctor Pidgeon was one.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7—Company an agent of His Majesty.

Mr. FRASER: Does this section mean that any company can make a contract without reference to parliament? I should like an explanation of subsection 2.

Mr. HOWE: It can operate in its own name. For instance, it can buy raw materials and sell its own product, dealing in its own name. There is only one type of transaction that it cannot do under the general regulations. No property can be bought for the crown or sold for the crown except by authority of the governor in council.

Section agreed to.

On section 8—Employment and remuneration of officers and servants.

Mr. GREEN: This section has to do with employment and remuneration of officers and servants. It goes very far. It provides that:

(1) Every company may, notwithstanding the Civil Service Act or any other statute or law, employ such officers or servants as it deems necessary to conduct its operations and may determine their conditions of employment and their remuneration which shall be paid by the company.

(2) Every company has the control and supervision of the officers and servants employed by the company.

As I read this section, it means that in the case of each of these crown companies the employment is entirely in the hands of the officers of the particular company. Is that right?

Mr. HOWE: Yes, the directors and the officers of the company, subject to such conditions as the minister may impose. At the present time any employee of any crown company who is paid more than $4,000 a year is approved by myself in writing. That is done simply to keep the pattern of salaries in crown companies in order. Aside from that, the directors of the company have a free hand in employing.

Mr. GREEN: Is there a separate pattern of salaries for crown companies as distinguished from the regular civil service?

Mr. HOWE: It is the same pattern, depending on the industry. For example, the salaries of Polymer, which is akin to the oil industry, are akin to the salaries of the oil industry, and the salaries in Eldorado, which is a mining company, are akin to the salaries in the mining industry.

Mr. GREEN: The minister has said that in the case of the payment of a salary of $4,000 or over he has to write a letter authorizing that payment. Why is there not some provision to that effect put into this section instead of giving the officers of each company carte blanche to pay whatever they wish?

Mr. HOWE: Another minister may wish to examine salaries of $3,000 and over, and another minister may wish to examine all salaries. A minister may impose any regulation he likes.

Mr. GREEN: How does the minister square this policy with the policy that has been in effect by the dominion for many years of engaging people under the Civil Service Act, and on the merit basis? This seems to be a complete departure from that principle, a departure not only in respect of executive officers, but right down the line to the lowest paid employee. He or she may be hired by the officers of the company and be paid whatever salary they see fit, quite regardless of what the ordinary civil servant doing the same work may be paid. What is the justification for going that far?

Mr. HOWE: The civil service was not designed for handling business transactions. The civil service was designed for the ordinary work of government.

Mr. GREEN: It handles some pretty big business.

Mr. HOWE: In the work of departments. For example, does my hon. friend expect the civil service commission to choose the officers of a commercial concern? What would be their standard? What rules would they apply; the same rules that they apply in the government departments?

Mr. GREEN: It seems to me that some system could be devised whereby the Civil Service Act could be amended in some way to meet that situation. There is no doubt that it is a new situation; but surely there should be something devised to meet it instead of ignoring the whole question and giving each of these companies the power to set its own rules and to hire its own employees. This section may affect hundreds of employees. It is not as though there were only a handful to be covered by it. There are bound to be several thousand employees of crown companies. The minister has said that during the course of the debate. Surely we cannot just ignore the unfairness of having two types of civil servants, one type subject to the provisions of the Civil Service Act, and then the officers and employees of these crown companies working on an entirely different basis.

Mr. HOWE: My hon. friend must be aware that we have had that situation for many years. I have before me the National Harbours Board Act.

> The board may employ such professional, technical and other officers, clerks and employees as it may deem necessary for the proper conduct of its business and fix their remuneration.

Mr. GREEN: Oh, there have been exceptions.

Mr. HOWE: This is not an exception. When the government is in business it does not do that business under the Civil Service Act.

Mr. GREEN: There have been exceptions, but this is a different matter.

Mr. HOWE: Tell me one instance of the government being in business under the Civil Service Act.

Mr. GREEN: Other departments than reconstruction are in business, and in big business too. This is not the only department of the government that is in business.

Mr. HOWE: Name one.

[Mr. Green.]

An hon. MEMBER: How about the wartime prices and trade board?

Mr. GREEN: I suggest that when earlier this evening the minister said he brought in this provision so that he would be able to hire the best people. That was a serious reflection on the civil service, and I think it shows a wrong attitude. I believe that some different method should be worked out for employing at least a portion of those who will work for these companies.

Mr. HOWE: My hon. friend is trying very hard to involve me with the civil service, but as a matter of fact I take civil servants wherever I can get them. There is provision for civil servants to be employed in these companies and their rights under the Civil Service Act are protected. But my hon. friend would not suggest that we could draw from the civil service people with expert knowledge of mining who could go to Great Bear lake and operate a mine. We borrow geologists from the Department of Mines and Resources whenever we can, and they are turned over to Polymer for certain operations. But the ordinary rock miner who works underground is not a man you can hire through the civil service commission. It is the same with specialists at Polymer. Men require years of experience in similar operations.

Mr. GREEN: But there are specialists in all the branches of government.

Mr. HOWE: I doubt if there are any specialists in the manufacture of synthetic rubber. If there are I should like to borrow them.

Mr. GREEN: But there are many scientists in other branches of the government who are just as capable as the scientists who may be employed in these crown companies. They have been engaged under the Civil Service Act and are bound by the terms of that act.

Mr. HOWE: Quite so; and we borrow them whenever we can.

Mr. GREEN: There may be some professional men who should be hired in the way contemplated by this section, but there are thousands of others who could be employed under the Civil Service Act as easily as those already under that act.

Mr. HACKETT: In the employment of personnel by these companies is any preference given to returned men? I refer to that aspect of employment which is so deeply imbedded in the civil service commission. In engaging men for these companies, is a preference given to people who have seen service?

Mr. HOWE: Yes.

Mr. HACKETT: How is it exercised, and what type of preference is it?

Mr. HOWE: It is a complete preference, the same preference that is in force with regard to the civil service. If a returned man is qualified he is given the position, even though someone is available who is not a returned man but who is much more highly skilled. It is exactly the same.

Mr. HACKETT: What methods are employed to make known the requirements of a crown company? If an engineer is needed is the position advertised, or does the company have to rely upon the casual acquaintances of the minister or the directors of the company to find candidates for the opening?

Mr. HOWE: The government operates its own bureau of technical personnel and these positions are filled through that bureau, just as manual position are filled through the national employment service.

Mr. MACDONNELL (Muskoka-Ontario): I should like to add a word to echo the uneasiness expressed by the hon. member for Vancouver South. I think we can quite understand the minister's statement that highly technical operations such as Polymer and Eldorado have required people with special techniques and they have had to deal with them in a special way. I am not suggesting that the problem is easy, but it seems to me this is a light-hearted and easy-going way of trying to solve a problem which I think is much more difficult than the minister has admitted. Let me read this section again. It is too nice, too easy and too simple, and may, in years to come, land us in difficulties which none of us will want to face. After all, we are talking about what may turn out to be a far-reaching plan. The section provides:

> Every company may, notwithstanding the Civil Service Act or any other statute or law, employ such officers or servants as it deems necessary to conduct its operations and may determine their conditions of employment and their remuneration which shall be paid by the company.

No one is trying to make cheap capital out of anything the minister said earlier about civil servants. I have no doubt he has a higher regard for civil servants than any of us, because he has had a great deal to do with them. Nevertheless it seems to me that here we are stepping carelessly, as I see it, into a situation which may prove to be fraught with many difficulties. First of all there will be great difficulties as between the companies themselves; and just to step in like this, without a pattern of any kind, without any regulation and without even an attempt to set up any plan but to leave it entirely to the discretion of each company, seems to me to be going very far. After all, each company will wish to go ahead and do the best possible for itself. It will be quite irresponsible, as far as the directors are concerned. It will have a desire only to improve its own operation. It will not care two straws about the civil service. In the meantime it must be remembered that there will be thousands of people in the civil service who will know what is going on and will be critical of it. If they are wise people they will admit that in cases such as Polymer and Eldorado there are special conditions which require special treatment, but I would earnestly suggest to the minister that this light-hearted and omnibus way of dealing with this matter is hardly the way to deal with such a serious problem.

Mr. HOWE: Surely my hon. friend will not say there are not already precedents. The largest crown company the government owns is the Canadian National Railways. The remuneration of its employees is fixed by the board of directors and the management. The national harbours board is another; the national research council is another; the Canadian Broadcasting corporation is another; the Central Mortgage and Housing corporation, which parliament authorized last year, is another. I wish my hon. friend would tell me of one business corporation set up by the government that follows any other plan. He suggests that we are starting something new. I am simply following the practice that has been authorized by this parliament for many years in dealing with business enterprises.

Mr. MACDONNELL (Muskoka-Ontario): I am not terribly impressed with that answer. As far as the Canadian National Railways are concerned, we all know that salaries and wages are settled by long precedent, international agreements and so on, so that does not seem to me an answer at all.

Mr. HOWE: So they are in crown companies. Each of these companies is unionized.

Mr. MACDONNELL (Muskoka-Ontario): I have already pointed out that as far as Eldorado and Polymer and one or two others are concerned these are special cases involving special circumstances, but I am talking about something which may develop into scores of companies, as the minister earlier admitted. To take a few special cases and say that because they have been recognized as special cases the same procedure is to be applied in scores of others does not seem to me quite reasonable. Furthermore, I am not impressed with this argument that we have been doing

this for three or four years. Those were war years, when people were prepared to put up with all kinds of special conditions and keep their mouths shut. We are now stepping into years which I suggest are quite different. Again I repeat the suggestion that to leave this wide open in a careless manner is dealing in a trivial or in at least a careless way with what I think is a serious question.

Mr. MacINNIS: The point to which I shall address myself has perhaps been already covered, because of relations established in crown companies. No doubt, in these crown companies there will be employees who will come under certain trades and occupations the members of which are formed into trade unions. Will the government's policy which was established in 1943 in connection with crown companies entering into trade union agreements be continued?

Mr. HOWE: Yes. All the employees of these crown companies are union men who have contracts with the companies.

Mr. HACKETT: What provision, if any, has been made for pensions of employees and servants of the companies?

The CHAIRMAN: Section 9 covers that point.

Mr. NICHOLSON: I note that in one of the returns brought down yesterday it was pointed out that the president of the Central Mortgage and Housing corporation is receiving a salary of $18,000. Has that been fixed by order in council, or will this measure now legalize the setting of salaries on that scale? Is this section designed to give crown companies the privilege of paying salaries in the higher categories, or salaries that are out of line with those paid in the regular civil service?

Mr. HOWE: This bill does not apply in any way to the Central Mortgage and Housing corporation.

Mr. NICHOLSON: The minister mentioned it a minute ago.

Mr. HOWE: Yes, but I mentioned it as a business concern which was not under the supervision of the Civil Service Act. It is not under this bill, either.

Mr. BOUCHER: The minister said a minute ago that written authority is required from himself for the payment of salaries of $4,000 or over. It seems to me there will be many employees in these crown companies who will not be highly trained. They would stand almost in a parallel situation with clerks and various other employees operating in the civil service under the Civil Service Act. In my view, if in crown companies there are groups that correspond with groups of employees operating under the Civil Service Act, they should be governed by the same act and the same regulations.

Then, the minister requires that the management of a company shall receive from him written authority before they shall pay salaries in excess of $4,000. I fully appreciate the advisability of keeping some limit on salaries these crown companies can pay. Otherwise, they could be paying what is virtually government money in an exorbitant fashion, without detriment to themselves, but with detriment only to the people who pay the money.

I believe that in this measure there should be much more specific limitations respecting the power to employ and to pay employees in various grades, whether they be specialists, tradesmen, clerks or stenographers. While the minister says he has made a regulation under which his signature is required, I would point out that there is actually nothing in the law requiring that his regulations be obeyed, or to assure the people of Canada that there is equity in the arrangement.

Under what authority does the minister make those regulations, and how is such authority exercised? Will he also explain why people holding corresponding positions in the civil service, those who are not specialists or experts in any particular line, are not put in entirely the same category, and why they do not operate under the Civil Service Act which applies to civil servants?

Mr. HOWE: The minister exercises the potent authority of the shareholders of the company. He can get rid of the management, if that management bungles the operation—and, I might say, he sometimes does. Also, the company is an agent of the crown, and the minister representing the crown in a particular case has the right to act.

It is all very well for my hon. friend to speculate how things could be done; but may I point out that these are business concerns. They have bargains with their employees. Usually they are unionized. I would say that 90 per cent of the employees of these companies are members of unions which have contracts with the companies. I do not know how my hon. friend can suggest any particular rule that would apply, other than the usual bargaining arrangement between employers and employees found in all business firms.

Mr. JACKMAN: It seems to me almost incredible that the minister should say to the committee that, even leaving aside his own

department, the government is not in big business. Any organization which employs tens of thousands, if not hundreds of thousands of employees, must of necessity be in what is called big business.

The only difference I can see between some forms of government business—and we will exclude the Canadian National Railways, for special reasons—and private business is that private business is in active competition with its fellows; and most of that competition has to do with selling.

I have not heard from the minister that these government companies are to be in active competition with private industry, although he did mention one exception when my colleague the hon. member for Vancouver South brought up the point to-night. But, as I say, the only difference I can see is that they actively compete with someone in regard to selling. I do not see why the men and officers who staff these government-owned companies cannot come under the civil service. I believe the minister has a completely wrong conception about why the civil service was ever started. It certainly was not, as one must infer from his remarks, an organization started up for the sole purpose of creating a system which was not efficient.

Mr. HOWE: Do not put words into my mouth.

Mr. JACKMAN: That is the only inference which can be drawn.

Mr. HOWE: My hon. friend is fond of doing that. I did not say the civil service was not efficient.

Mr. JACKMAN: That is the only inference which can be drawn.

Mr. HOWE: Never mind inference.

Mr. JACKMAN: That is the inference I draw from your remarks. If you wish to correct it you may do so at another time. But do not interrupt when I am speaking.

The CHAIRMAN: I must remind hon. members that when they are speaking they should address the chair.

Mr. JACKMAN: Yes, Mr. Chairman. What I am saying is that the only inference I can draw, with my limited background, is that the minister does not believe that the Civil Service Act is an efficient form of organization, or that efficiency in a government department can be developed under it. Otherwise, why in connection with these companies which he intends to set up, or which are set up and are to be extended, does he not use the civil service form of administration.

Surely the Civil Service Act when it was brought down, was a forward step in governmental administration, because it got rid of the curse of patronage which every government knows is sometimes a greater nuisance than it is worth. With a setup of this kind, in taking this retrogressive step, in connection with a series of companies the minister and those around him may appoint any number of people to jobs commanding high salaries. Under such circumstances you can only have a system of patronage which is undoubtedly bad and which flies in the face of the whole reasoning behind the Civil Service Act. This building up of a super civil service, for that is what it means, will lead to a lack of harmony—I will not say a lack of best effort—and will cause discouragement to many who have served for a long time in the civil service.

For example, take the announcement in the press to-day that the president of the Central Mortgage and Housing corporation is to receive a salary of $18,000. The deputy minister of finance and other deputy ministers are doing not only an equal job but, in many cases, a much superior job; they require a background at least equal to the other gentleman, and in other cases they have had many more years of experience, but they are getting only approximately half that amount. How do you expect to get loyalty and the best endeavour from your senior men when you introduce new men and start them off at much higher salaries?

Another example is the unknown salary of the governor of the Bank of Canada. I presume that that salary is three times what the deputy minister of finance is getting from this government which states it is willing to pay equal wages for equal work. There is no excuse for paying these limited salaries in comparison with those being paid to the super civil servants you are setting up under these corporations.

I believe the minister misconceives the purpose of the Civil Service Act and by implication is condemning it as an efficient instrument to carry on the business of government. This committee would be well advised to consider putting the administration of these new companies under the Civil Service Act.

Mr. MacINNIS: I think I should say something on the point just raised by the hon. member for Rosedale. Since coming to this house I have taken a special interest in civil service matters and have been on many of the special committees set up to consider the civil service. If I felt that the staffs of crown companies of this kind could be as efficiently

recruited under the civil service as they can be by the means to be used I would certainly press to have the civil service do the job, I believe the civil service is the best method of staffing our governmental institutions, but I feel the hon. member for Rosedale would not ask that the staff of the Canadian National Railways, from the men who tamp the ties to the engineers who drive the locomotives and the clerical staff that administers the office, be recruited under the civil service.

Mr. JACKMAN: I excepted them.

Mr. MacINNIS: My hon. friend says that he excepted them, but are not these corporations to some extent on all fours with the Canadian National Railways? It seems to me that the Minister of Reconstruction and Supply, who is piloting this bill, must accept the advice of my hon. friends to my right with a certain amount of suspicion. They are opposed to what he is doing, and anything they offer in regard to the measure would be something to make it less effective than it otherwise would be.

Some hon. MEMBERS: No.

Mr. MacINNIS: Of course that is right. Any man with any logic would immediately come to that conclusion, and I try to approach matters in a logical way. If my hon. friends want to improve this measure and to make the crown companies set up under it a success they will have to stop opposing it and bring forward ideas and suggestions to make it better and not ideas and suggestions to hamper the operations.

Mr. SKEY: I am sure the Minister of Reconstruction and Supply appreciates the help he has had from the hon. member for Vancouver East, but I find it difficult to rationalize the ideas or tenets or theories of the hon. member as previously put forward in this house with the suggestion now made that there is an unequal basis for civil servants in the country.

However, I am concerned with another aspect of this bill. Yesterday afternoon I asked the minister about the security provisions that were being set up, and I am particularly concerned about the company set up with respect to atomic energy. Section 8 provides that, notwithstanding the Civil Service Act or any other statute or law, the officers or servants—a few moments ago the minister said that would mean the directors—are empowered to employ such officers or servants are deemed necessary to conduct the operations of the company.

[Mr. MacInnis.]

May I remind the committee and the minister that at this time we are dealing with Canadian Arsenals Limited and Eldorado. If the power to employ such officers or servants as are deemed necessary is given to the directors, it is thereby taken away from this house, from the civil service commission, from the R.C.M.P. or from any other agency which might check on the security of those particular people. I should like to ask the minister whether the security provisions provided by this particular clause are sufficient to guarantee to the country, to the people who may deal with atomic energy and to the government that the employees who are employed can be completely trusted and will be those in whom they can have full confidence. When I asked this question yesterday the minister said that for years the R.C.M.P. had been checking such employees as were employed in the national research council and other services of the government.

Section stands.

Progress reported.

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

Wednesday, June 5, 1946.

The house met at three o'clock.

COMBINES INVESTIGATION ACT

MONOPOLISTIC TRADE RESTRICTIONS—COMBINATIONS IN RESTRAINT OF TRADE

Right Hon. L. S. ST. LAURENT (Minister of Justice): moved for leave to introduce bill No. 193, to amend the Combines Investigation Act.

He said: This bill arises from the report "Canada and International Cartels" which was tabled during the course of the last session and which was prepared by the special committee under the commissioner of the Combines Investigation Act. Hon. members will recall that the report illustrated the undesirable effects on the Canadian economy of the operations of private international trade combinations known as cartels, and generally the obstacle to full employment in either the international or the domestic sphere, which might result from undue restraints of trade. It recommended consideration by the government of certain lines of approach with reference to the forthcoming international discussions respecting international trade. It also recommended that steps be taken both legisla-

tively and administratively to make the Combines Investigation Act more effective in preventing and removing undesirable domestic restraints of trade and in obtaining and making available for the determining of government policy information respecting the effects of international cartels on the Canadian economy.

The principal steps to implement the report require no legislation but merely larger staff and appropriations for the commission, and that will be dealt with when the estimates of the department are being considered by the house. Legislation is necessary, however, to remove certain anomalies from the present act and to provide the necessary tools for the revived activities of the commission.

The bill proposes no changes in the definitions of offences or in the basic scheme of the act. It provides for greater flexibility in the administration of the act and removes or modifies some of the restrictions on the operations of the act which were added in 1935 and 1937 when the dominion trade and industry commission was set up, and it proposes to restore to the commission some of the activities that were entrusted to the dominion trade and industry commission, under the original set-up of that body which was to control the Combines Investigation Act administration. That was removed in 1937 and the amendments proposed in this bill are with respect to procedure and not with respect to the substance of the offences aimed at by the legislation.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WAR ASSETS—POLYMER CORPORATION

Mr. MURPHY:

1. Did War Assets Corporation or any government department since September 30, 1945, sell or dispose of any buildings, machinery or equipment formerly used by Polymer Corporation Limited, or any of its associated operating companies?

2. If so, what are the particulars including prices and the names of the purchasers?

Mr. McILRAITH:

1. Yes.

2. (a) The following buildings have been sold by War Assets Corporation:

Description—Purchaser—Price

Old purchasing building, Polymer Corporation Ltd., $2,200.

Post office building, W. Eric Harris, $80.

Bunk house, Miss Myrtle Jacques, $1,900.

Commissary building and bake shop, S. Jackson, $3,600.

Bowling alley and equipment, Byron W. Neal, $3,500.

In addition to the above prices, the purchasers had to remove the buildings from the sites and restore the land to its original condition at their own expense.

A considerable amount of machinery, equipment, supplies, furniture, etc., has been declared surplus. This surplus material has been disposed of in accordance with the policies of War Assets Corporation. In order to provide the detailed information requested, it would be necessary to examine the very large number of invoices covering the sales of the material and equipment which are listed in more than 200 declarations of surplus.

(b) The following articles have been sold by Polymer Corporation Limited:

Description—Purchaser—Price

Six typewriters, Ellenors typewriter service, $300.

One Ford station wagon, Lambton Motors, Sarnia, $263.

One Ford pick-up truck, ½ ton, 1939, Lambton Motors, Sarnia, $113.

Polymer Corporation Limited has been authorized to dispose directly of machinery, equipment, etc. which becomes surplus in the course of their operations as distinguished from buildings, machinery or equipment which became surplus to their requirements at the completion of their construction programme.

WAR ASSETS—PUBLIC AUCTIONS

Mr. CASTLEDEN:

1. How many public auctions for the sale of surplus war assets have been held under the direction of War Assets Corporation or War Assets Limited?

2. At what places were these held?

3. What materials, equipment or supplies were sold at each?

Mr. McILRAITH:

1. 10.

2. Aurora, Ontario, at the army depot; St. Catharines, Ontario, at the R.C.A.F. station; St. Johns, Que., at the R.C.A.F. station; Lakeburn, N.B., at War Assets Corporation warehouse No. 1; Maitland, N.S., at the R.C.A.F. station; Mount Pleasant, P.E.I., at the R.C.A.F. station; Charlottetown, P.E.I., at the R.C.A.F. station; Dauphin, Manitoba, at the R.C.A.F. station; Pictou, Nova Scotia, at the foundation maritime; London, Ontario, at the central mechanization depot.

3. At the first eight of the above noted sales, materials disposed of consisted of a

general line of consumer goods such as beds, tables, chairs, pots and pans, et cetera. The sales were open to the general public.

The sale at Pictou, N.S., held at the plant of Foundation Maritime was for licensed dealers only and the equipment sold consisted of ship components only.

The sale at London, Ontario, held at the central mechanization depot was confined to bona fide farmers certified by the Canadian federation of agricultural workers and the equipment consisted of army pattern trucks.

DEPARTMENT OF LABOUR—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Department of Labour?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. MITCHELL:

1. The total cost of publicity personnel in the Department of Labour is $34,820 per annum.

2 and 3.

Persons Employed	Salaries Paid	
Phelan, V. C.	$5,100	
Anderson, Gordon	3,800	
Blackburn, G. G.	2,820	
Cross, K. C.	2,820	
Young, D. M.	2,520	
D'Aoust, J. C.	2,400	
McVea, J. F.	2,400	
Nagle, V. A.	2,400	
Ullock, J. F.	2,040	
		$26,300.
Eight clerks, stenographers and typists whose aggregate salary per annum is		8,520.
Total		$34,820.

4. No.

ANSWERS OF THE UNEMPLOYMENT INSURANCE COMMISSION

1. The total cost of publicity personnel in the unemployment insurance commission is $9,600 per annum.

2 and 3.

Persons Employed	Salaries Paid
Maritimes—	
J. C. MacNeill	$2,400
Quebec—	
J. G. R. Parent	2,100*
Ontario—	
C. Lukey (performing duties of assistant public relations officer)	2,100
Prairies—	
Leslie C. Morrison	1,680†
Pacific—No one.	

*Plus $900 war duties supplement.
†Plus $420 war duties supplement.

4. No.

FARM IMPLEMENTS

Mr. McKAY:

Have the manufacturers of farm implements been permitted to mark up prices 12½ per cent on stocks of implements manufactured prior to April 13, 1946?

Mr. MAYHEW: The increase in the maximum prices authorized effective April 13, 1946. for farm machinery produced in whole or in part in Canada applies to all sales of such farm machinery on or after that date. In any case where a buyer and a seller had a firm contract as of April 13 for future delivery of farm machinery at prices lower than the new maximum prices, the buyer has the ordinary protection of law against any variation in the contract prices.

ISSUE OF POSTAGE STAMPS COMMEMORATING PEACE

Mr. REID:

What action, if any, has been taken by the Postmaster General regarding a new issue of postage stamps commemorating peace?

Mr. BERTRAND (Laurier): Officials of the department have been working on designs and models for a new issue of postage stamps dealing with peace-time subjects for some months past. It is hoped that it will be possible to have the new stamps ready for issue in the near future.

POST OFFICE DEPARTMENT—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Post Office Department?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. BERTRAND (Laurier):

1. $12,300.

2 and 3. D. Adamson, $3,900; E. D. H. Boyd, $3,000; H. Chaume, $1,800; H. Kells, $1,680; Miss C. M. Troy, $1,920.

4. No.

DEPARTMENT OF NATIONAL REVENUE—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Department of National Revenue?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. McCANN:

1, 2 and 3. Nil.

4. No.

DEPARTMENT OF FISHERIES—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Department of Fisheries?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. BRIDGES:

1. $4,980.

2 and 3. H. F. S. Paisley, ($3,780); F. Rossiter, ($1,140).

4. Yes; the Fisheries News Bulletin, issued monthly at an approximate cost of $75.

CANADIAN ARMY PACIFIC FORCE

Mr. LENNARD:

1. How many men of all ranks comprised the Canadian Army Pacific force?
2. What units or branches of the army did they represent?
3. How many in each branch or unit?

Mr. LAPOINTE:

1. 24,055.

2.	3.
Headquarters Formations	639
Royal Canadian Armoured Corps	2588
Royal Canadian Artillery	3258
Royal Canadian Engineers	1101
Royal Canadian Corps Signals	791
Canadian Infantry Corps	8018
Royal Canadian Army Service Corps.	1833
Royal Canadian Army Medical Corps.	1070
Royal Canadian Ordnance Corps	412
Royal Canadian Electrical and Mechanical Engineers	1161
Canadian Postal Corps	28
Canadian Provost Corps	333
Instructional Cadre and Reserve troops	2823
	24,055

HOUSING—VETERANS—TORONTO

Mr. CHURCH:

1. What has been done by the government to provide wartime houses for soldiers in the city of Toronto for the coming fall and winter?
2. Has a recent request been received from the civic authorities herein? If so, for how many of such houses?

Mr. McILRAITH:

1. During the past five months the emergency shelter administration of Central Mortgage and Housing corporation has agreed to participate with the city of Toronto in the cost of converting the following buildings into temporary shelters:

Project	No. of family units
Women's staff house, Malton	80
Men's staff house, Malton	80
Deaconess home	40
General engineering plant, Scarborough	65
Staff house, Long Branch	80
Total	345

Wartime Housing Limited has constructed 150 houses on property supplied by the city of Toronto. In addition, 100 houses were constructed on the edges of park land. All of the 250 houses are occupied.

There is under construction at the present time, 600, in Etobicoke (205), North York (198), and East York (197). Of the total of 600, 412 are occupied and 188 under construction as of June 1.

Some months ago, the city of Toronto asked Wartime Housing Limited to erect 48 prefabricated houses on Ryding avenue, but the city so far has been unable to secure title to the property.

2. The most recent is that of the city dated May 29 requesting Wartime Housing Limited to construct 1,000 houses.

DEPARTMENT OF MINES AND RESOURCES—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Department of Mines and Resources?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. GLEN:

1. $13,308.12 (annual).

2. R. J. C. Stead; J. G. Perdue; W. F. Lothian; R. M. Watt.

3. $4.740; $2,820; $2,820; $2,928.12.

4. No; nil.

MOTION FOR PAPERS

RADIO BROADCASTING—CFRB, TORONTO

Mr. DIEFENBAKER:

For a copy of all minutes or memoranda of the Canadian Broadcasting Corporation since the 1st of July, 1945, touching on or in connection with the cancellation of the wavelength or frequency presently occupied by CFRB Toronto, and/or the taking over of the said wavelength or frequency by the corporation.

Mr. McCANN: Mr. Speaker, the special committee on radio broadcasting is now sitting, and at its meeting yesterday this question, or a similar one, was brought up. In view of that I suggest that this motion might be dropped, since the matter is already under review. I

am sorry that the hon. member for Lake Centre was not at the meeting yesterday, or he might have brought up the question there himself.

Mr. DIEFENBAKER: Mr. Speaker, I was at the meeting yesterday, but not at the time in question. I do not believe this motion should be dropped, because yesterday the Canadian Broadcasting corporation refused to produce the minutes; therefore I have no other course than to ask that this order be proceeded with.

Mr. McCANN: If the hon. member insists on having his motion put, I shall have to oppose it on the ground that memoranda between different officials of the corporation are privileged documents and should not be produced.

Mr. GRAYDON: Surely this is not a private corporation.

Mr. CHURCH: It is the most mischievous corporation that ever saw the light of day in Canada.

Mr. SPEAKER: As hon. members know, these motions are not debatable. If I have not unanimous consent I shall have to put the question to the house.

The house divided on the motion (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Adamson
Aylesworth
Barrett
Black (Yukon)
Blair
Boucher
Bradshaw
Charlton
Church
Cockeram
Daniel
Diefenbaker
Dorion
Drope
Fleming
Fraser
Green
Hackett
Harkness
Hatfield
Hazen
Henderson
Jackman
Kidd
Lockhart
McGregor
McMaster
MacNicol
Manross
Menary
Merritt
Murphy
Pearkes
Raymond (Beauharnois-Laprairie)
Ross (St. Paul's)
Senn
Stephenson
Stirling
Tustin
Webb
White (Hastings-Peterborough)—41.

NAYS

Messrs:

Abbott
Archibald
Argue
Arsenault
Baker
Beaudoin
Belzile
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Blackmore
Bourget
Bradette
Bridges
Brown
Brunelle
Bryce
Burton
Campbell
Castleden
Claxton
Cleaver
Cloutier
Coldwell
Coté (Matapedia-Matane)
Coté (Verdun)
Croll
Cruickshank
Dechene
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Dubois
Emmerson
Eudes
Fair
Farquhar
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gillis
Gingues
Gladstone
Golding
Gour (Russell)
Grant
Hallé
Harris (Grey-Bruce)
Healy
Howe
Irvine
Jaenicke
Johnston
Jutras
Knowles
Kuhl
LaCroix
Lafontaine
Langlois
Lapointe
Laurendeau
Leger
Lesage
Little
McCann
McCuaig
McCulloch (Pictou)
Macdonald (Brantford City)
McDonald (Parry Sound)
McIlraith
MacInnis
McIvor
Mackenzie
MacLean
Maloney
Marier
Marquis
Matthews (Kootenay East)
Mayhew
Michaud
Mitchell
Moore
Mullins
Nicholson
Nixon
Picard
Probe
Quelch
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Simcoe East)
Ross (Hamilton East)
St. Laurent
Sinclair (Ontario)
Sinclair (Vancouver North)
Sinnott
Stewart (Winnipeg North)
Stuart (Charlotte)
Strum, Mrs.
Thatcher
Townley-Smith
Tremblay
Viau
Weir
Whitman
Winkler
Winters
Wright
Wylie
Zaplitny—115.

PAIRS

(The list of pairs is furnished by the chief whips.)

Black (Chateauguay-Huntingdon)	Cardiff
Breithaupt	Harris (Danforth)
Clark	Desmond
Jean	Homuth
Pinard	Stokes
Pouliot	Ashby
Isnor	Stanfield

Mr. BLANCHETTE: I was paired with the hon. member for Wentworth (Mr. Lennard). Had I voted I would have voted against the motion.

Mr. CHEVRIER: I was paired with the hon. member for Grenville-Dundas (Mr. Casselman). Had I voted I would have voted against the motion.

Mr. LALONDE: I was paired with the hon. member for Royal (Mr. Brooks). Had I voted I would have voted against the motion.

Mr. MacNAUGHT: I was paired with the hon. member for Elgin (Mr. Coyle). Had I voted I would have voted against the motion.

Mr. RINFRET: I was paired with the hon. member for Muskoka-Ontario (Mr. Macdonnell). Had I voted I would have voted against the motion.

Mr. McCUBBIN: I was paired with the hon. member for Middlesex East (Mr. White). Had I voted I would have voted against the motion.

Mr. GRAYDON: I was paired with the Minister of Finance (Mr. Ilsley). Had I voted I would have voted for the motion.

Mr. ROWE: I was paired with the hon. member for Quebec West and South (Mr. Parent). Had I voted I would have voted for the motion.

Mr. ROSS (Souris): I was paired with the Minister of Agriculture (Mr. Gardiner). Had I voted I would have voted for the motion.

Mr. HODGSON: I was paired with the hon. member for York North (Mr. Smith). Had I voted I would have voted for the motion.

Mr. McLURE: I was paired with the hon. member for the dual constituency of Queens (Mr. Douglas). Had I voted I would have voted for the motion.

Mr. BLACK (Cumberland): I was paired with the hon. junior member for Halifax (Mr. Macdonald). Had I voted I would have voted for the motion.

Mr. SMITH (Calgary West): I was paired with the Minister of Trade and Commerce (Mr. MacKinnon). Had I voted I would have voted for the motion.

Mr. FULTON: I was paired with the Secretary of State (Mr. Martin). Had I voted I would have voted for the motion.

Mr. SKEY: I was paired with the Minister of National Defence for Air (Mr. Gibson). Had I voted I would have voted for the motion.

Mr. BRACKEN: I was paired with the right hon. Prime Minister (Mr. Mackenzie King). Had I voted I would have voted for the motion.

Mr. LACOMBE: I was paired with the hon. member for Terrebonne (Mr. Bertrand). Had I voted I would have voted for the motion.

Mr. BONNIER: I was paired with the hon. member for Bruce (Mr. Robinson). Had I voted I would have voted against the motion.

Mr. HAMEL: I was paired with the hon. member for Chapleau (Mr. Gourd). Had I voted I would have voted for the motion.

Mr. GAGNON: I was paired with the hon. member for Shefford (Mr. Boivin). Had I voted I would have voted for the motion.

LABOUR CONDITIONS

SEAMEN'S STRIKE—DISRUPTION OF TRAFFIC ON INLAND WATERWAYS

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Acting Prime Minister. Perhaps I might explain that I gave notice of this question, and he advised me before leaving the house that in his absence it would be answered either by the Minister of Transport or the Minister of Labour, or perhaps both. The question has to do with the present disruption of traffic on some of the inland waterways of Canada.

I am receiving many manifestations of concern, from people who have no direct connection with either side of the dispute, with respect to the interruption of this traffic and certain untoward events in connection therewith. My question is: Will the Acting Prime Minister state, for the information of the house and of the public, what steps the government is taking to bring this issue to a satisfactory end, in order that civil strife may cease and the food products of Canada be dispatched overseas with as little delay as possible?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I am meeting the operators this afternoon. I do not know what the results of the deliberations will be, but I live in hopes.

Mr. COLDWELL: Will the minister get an assurance from the operators that there will be no recurrence of what happened in Cornwall the other day?

Mr. MITCHELL: I should like to get an assurance from both sides.

Mr. COLDWELL: The other fellows started it.

Mr. MITCHELL: I hope there will be no recurrence of the incident, because I do not think it is necessary in industrial disputes.

Mr. COLDWELL: I do not, either.

SUGAR BEET INDUSTRY—PRISONER OF WAR LABOUR

On the orders of the day:

Mr. JOHN T. HACKETT (Stanstead): Will the Minister of Labour say what portion of the 850 additional prisoners of war required to plant, till and harvest the increased sugar beet crop in southwestern Ontario, advocated by the government, has been made available to the farmers in that area?

Hon. HUMPHREY MITCHELL (Minister of Labour): I thought I made a statement on that question a few days ago. The employment of men changes from hour to hour. However, I hope to have the answer completed to-morrow, and to give it to the member to-morrow afternoon.

COAL

OPERATION OF FISH CREEK MINE, ALBERTA

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I should like to ask a question of the Minister of Reconstruction and Supply, of which I have not yet given notice. My question has to do with the coal situation in Alberta. Has the minister taken steps to open the Fish Creek coal mine, southwest of Calgary, Alberta?

Hon. C. D. HOWE (Minister of Reconstruction and Supply): I shall accept what the hon. member has said as notice of question, and give an answer to-morrow.

Mr. BLACKMORE: If the government is not working the mine, will the minister at the same time give the reason why?

Mr. HOWE: I shall be glad to do that.

MEAT

REMOVAL OF PRICE CEILINGS FROM RED AND BLUE BRAND BEEF

On the orders of the day:

Hon. W. EARL ROWE (Dufferin-Simcoe): I should like to ask the Acting Minister of Finance if it is true that the recent order removing the price ceiling from red and blue brand beef applies only to government-inspected beef shipped from abattoirs?

Right Hon. L. S. ST. LAURENT (Minister of Justice): I believe I am Acting Minister of Finance, but I am not in a position to answer the hon. member's question to-day. I shall be glad to take it as notice of question, make inquiries from the wartime prices and trade board, and give the answer to-morrow.

[Mr. Coldwell.]

Mr. ROWE: If it is true that the order applies only to government-inspected beef, will the government take into consideration making the same provision in respect of prime carcasses of beef produced from other sources?

Mr. ST. LAURENT: I will see that the hon. member's question is brought to the attention of the responsible officers.

GOVERNMENT COMPANIES

OPERATIONS AND FINANCING—SUPERANNUATION AND PENSION PROVISIONS

The house resumed from Tuesday, June 4, consideration in committee of bill No. 155, respecting the operation of government companies—Mr. Howe—Mr. Macdonald (Brantford City) in the chair.

On section 8—Employment and remuneration of officers and servants.

Mr. SKEY: Mr. Chairman, when the committee rose last night we were discussing security checks in respect of employees of crown corporations. I had referred to a reply given by the Minister of Reconstruction and Supply to a similar question I had put to him when we were discussing the atomic energy bill. At page 2123 the minister's reply is reported in this way:

> For several years every man or woman who has been employed by the National Research Council has been screened by the Royal Canadian Mounted Police.

In the interval since last night I have checked the records of the employees of the public service and others who are now accused of espionage and are undergoing trial. I find nearly all of them were employed after the beginning of the war. It seems to me that since two of them were employed by crown companies, this is a point which the house ought not to overlook; the government must have some control over appointments made by directors of crown companies and should check their security categories. I think that contention is also supported by what occurs in other realms of government employment. An item appeared in the press to-day with reference to the remarks made in a committee by that able and tireless civil servant, Mr. Hume Wrong. When asked whether the Department of External Affairs had any check on the security or political affiliations of its employees, Mr. Wrong stated he thought it would be unfair to investigate the political affiliations of any applicant. That had to do with the civil service, this has to do with people who will be engaged to work for crown companies.

I would not want to be misunderstood on this issue, because I have in mind the unfortunate circumstances that have developed since last February when this whole business of espionage broke upon the Canadian people. Just to keep the record straight I should like to quote two items from the first interim report of the royal commission. In the first interim report issued on March 2, 1946, the justices report:

> The evidence establishes that a network of under-cover agents has been organized and developed for the purpose of obtaining secret and confidential information particularly from employees of departments and agencies of the dominion government.

I should like to quote from the second interim report, issued on March 14, as follows:

> In a case of this nature where the evidence has revealed the existence of an organization constituting at least a threat to the safety and interests of the state, as evidenced by the fact that some witnesses holding strategic positions have made the significant statement under oath that they had a loyalty which took priority over the loyalty owed by them to their own country, and for that reason they acted as they did, and would unquestionably have continued so to act had they not been detected.

In to-day's paper there is an editorial dealing with a speech made by the national leader of the Labour Progressive party. In that speech the leader of that party tore away the veil which previously covered the motives of the party when he said:

> We want 10,000 new members this year. We want a mass marxist party—a party of communists.

That is what was said in Toronto at a meeting held on June 2. The fact is that both in government departments and in crown companies there have been people employed who have professed a greater loyalty to another ideology than toward their own country. The minister has said that they have been checking on the affiliations and beliefs of these people for several years, but that answer is inadequate, because nearly all these people who have been reported as having engaged in espionage work were employed by the government since the beginning of the war. We are dealing with Eldorado and Dominion Arsenals; in both these companies employees will have access to official information and secret processes which might be turned against this country, against the empire, or against the United States. Therefore there should be a greater check on all empolyees of crown companies.

Mr. HOWE: To reply first to the question as to what precautions were taken, all direct employees of the department of Munitions and Supply and all direct employees of the national research council were finger-printed and their records explored by the Royal Canadian Mounted Police. Reports were rendered to the department in all doubtful cases, and certain men left the employ of the department on that account. So far as employees of crown companies are concerned, the Royal Canadian Mounted Police were in charge of that work. The record of each employee was checked if he had access to any information of importance. However, with all the precautions that can be taken, I know of no way in which the government can assure itself that a man who enters the service of a department with a stainless reputation cannot be seduced by communism or some other allegiance. When a man is hired, there is no way in which we can predict with certainty what his course will be in the years to follow.

Mr. BOUCHER: Under section 8 of the bill wide powers are being given to the company and its officials in the employment of servants, agents and officers. With an ordinary company that would only be proper. Last night I suggested to the minister that he should consider putting under the Civil Service Act all employees who render services similar to those rendered by civil servants. I would except expert and specially skilled personnel, scientists, et cetera, so far as salaries and wages are concerned. Antogonism will be created among our regularly employed civil servants if government employees in crown companies are employed under different conditions or circumstances. There will be a large number of employees in these crown companies with qualifications and abilities similar to those in the regular civil service, and there should be no great differentiation between the treatment given to these people and that given to the members of the government service who are appointed through the civil service commission.

This point is particularly emphasized by the powers that are given to the governor in council to advance moneys to crown corporations for operating expenses and capital investments, to the tune of one-half million dollars as a maximum at any one time, and an additional total of one-half million dollars in any one fiscal year—and I believe that can be done in every fiscal year—for the extension and improvement of plant, the purchase of capital stock, et cetera. A thorough study of the bill will disclose that the governor in council can take out of unappropriated moneys in the consolidated revenue fund any amounts within those limitations that they see fit to take without submitting them to parliament, the minister has stated that they will be sub-

mitted to parliament, but I think a perusal of this bill will show that it is an appropriation act.

The CHAIRMAN: The subject being discussed by the hon. member is covered by sections 4 and 5, which have been passed by the committee. The hon. member should make his remarks at this time relevant to section 8, employment and remuneration of officers and servants.

Mr. BOUCHER: I would draw your attention to the fact that section 8 provides that the remuneration of these employees shall be paid by the company. The money that a company would have would be obtained partly from earnings and partly from money that the government may have advanced. If this bill is passed in its present form the directors of these companies will be able, without reference to parliament, to expend what is really government money and to hire whom they see fit and pay them what salaries or wage scales they see fit. I submit, Mr. Chairman, that I am in order in discussing the way in which this money is to be used under the broad powers which the directors and officers are being given to pay any remuneration they see fit and determine the conditions of employment of their employees.

The CHAIRMAN: The hon. member should relate his remarks to the section dealing with remuneration.

Mr. BOUCHER: I bow to your ruling, Mr. Chairman, but I do not see how I can relate my remarks to remuneration unless I also relate them to where the money is to come from and how that money is secured.

The CHAIRMAN: How the money is secured has been settled by sections 4 and 5. Section 8 has to do only with the spending of the money.

Mr. GRAYDON: Money does not grow on trees.

Mr. BOUCHER: If this money were not coming out of the public treasury but were being paid by some private enterprise, it would be no concern of mine. But I am objecting to the wide powers of expenditure of public money which these directors have. That is the whole basis of my argument. The directors and officers of the companies can hire anybody, from low-paid clerks and stenographers to highly-paid scientists, engineers, experts and managers, and can fix the rates of compensation without reference to parliament and without any regard to the scale of salaries paid to similar employees in the civil service, whose salaries and conditions of employment are determined by the Civil Service Act and regulations. Here we have the public treasury contributing a substantial portion of the working capital of these companies, and the directors being given almost unlimited powers to hire their employees at whatever salaries they see fit, without parliament having any say in the matter. This is definitely blank cheque legislation and uncontrolled expenditure. It is therefore all the more important that the employees of the crown companies should have their terms of employment and compensation governed by the Civil Service Act.

I am not so sure that the minister himself has appreciated what is involved, because in answer to a question of mine he stated yesterday, at page 2182 of *Hansard*:

> They can be appropriated only by vote of parliament. My hon. friend is right. They must be appropriated by vote of parliament or otherwise refunded.

With that I agree, if we look upon the passing of this bill as a voting by parliament. But I submit that if we pass the bill in its present form the directors and officers have the right to hire anybody they like and pay them what salaries they like, and get the money required by order in council or upon recommendation of the minister from unappropriated moneys in the consolidated revenue fund. All that is to be done without the sanction of parliament, other than what is given in the bill itself. Therefore if we pass this section and other sections in their present form parliament will be divesting itself of any authority or power over the hiring of the employees of these companies and the terms and conditions of their employment, even though they are all being paid substantially at the public expense. Parliament should not divest itself of the power of scrutinizing appropriations and of passing estimates for this purpose; we should retain control from year to year of the expenditure of public moneys by the directors or management of these crown companies. If we pass the bill in its present form we are breaking all custom in that we shall be, first of all, establishing a separate set of government employees who will not be working under the same terms and conditions as those in the regular civil service who have proven themselves loyal, efficient and competent; and secondly we are allowing the directors of these crown companies—perhaps scientists, engineers, businessmen—to expend moneys out of consolidated revenue without parliament having the right to scrutinize the expenditures before they are made. The minister was technically right when he said last night that appropria-

tions made to these crown companies appear in the estimates; nevertheless they appear as statutory enactments.

Mr. HOWE: I see my hon. friend does not undestand these things. They will not appear as statutory votes.

Mr. BOUCHER: Perhaps I do not understand it, and anyone who read the answers the minister gave to several questions last night will see that he does not understand it either, because his answers are in direct conflict with each other. I shall be glad to read them now if he so desires. His answers to questions on sections 4 and 5 show gross inconsistency. I felt when I was raising the point last night that possibly I was not as sure of my ground as I should be, but I found great consolation when I saw from the minister's answers that he was just as uncertain as I was. Will the minister stand up and say now that the appropriations for these government companies will be passed as ordinary estimates are passed before the expenditures are made? Parliament has no check on expenditures if it is allowed to review them only after they are made. That is not business. That is not the way government should be carried on. Parliament should have the right to scrutinize particulars of the proposed expenditures and have a full discussion just as we do on the ordinary estimates. I would therefore like the minister to give a full explanation, and in a different way from his explanation of last night, of just what the situation is.

Mr. HOWE: I am sure the situation is clear to everyone except my hon. friend.

Some hon. MEMBERS: No.

Mr. HOWE: I hardly think that anyone who reads the sections can be in doubt as to their meaning. There is nothing new in this. I jotted down others acts which have the same provisions: the National Housing Act, the Central Mortgage Act, the Bretton Woods Agreement Act, which were all agreed to by the opposition without question. I mention these because they are very recent, and I have no doubt that if you go back over the records you will find any number of similar instances of expenditures made in this way from unappropriated moneys.

Mr. HACKETT: Are they not all specific cases and of very recent origin?

Mr. HOWE: The ones I have mentioned are recent. That is why I mentioned them. I mentioned them because my hon. friends voted for them and I thought the matter would be fresh in their minds. The practice of government companies employing people outside the Civil Service Act is not new. It was done in the dim and distant past, when my hon. friends were in power. It was done in the case of the Canadian National railways. Every employee of the Canadian National railways is employed by the management, and his salary is paid by the management. My hon. friends voted for it. Hon. gentlemen are trying to suggest that we are breaking new ground. This is not so in any particular. We are following established practice in connection with government-owned companies. There is no government company that employs its men through the civil service commission, nor has there been one over the years. As a matter of fact, in the employment of tradesmen, for instance, the practice in government companies is exactly the same as that followed by the civil service commission. Tradesmen employed by the government through the civil service commission receive prevailing rates; the prevailing rate in the district is established by the Minister of Labour, and the employees are paid that rate. The practice is exactly the same as in crown companies. There is the additional protection, however, that almost all the employees of crown companies are organized and have contracts with one of the international unions, and they have the right to bargain between management and labour.

I cannot think of any reason why we should argue the matter at greater length. I repeat, we have followed the established practice, and it seems to me that every safeguard is provided in the crown companies referred to. The same provision is made in this act as in those establishing other crown companies, and I would point out that the employees in crown companies outnumber all civil servants by at least two to one and perhaps three to one. I think that explanation should be sufficient.

Mr. CHURCH: Involved in section 8 is an important principle to which I would direct the attention of the minister. We had an experience with two other corporations in connection with the questions of employment control and wages, and there we saw the House of Commons divesting itself of control over these two corporations. The minister is himself an able engineer. I can remember when he was a younger man practising his profession, and he is fully aware of conditions governing the employment of men in his profession. As far as possible I would like to see him give a preference to the graduates of our Canadian universities when it comes to employing technical men under this bill. This

is the golden month of commencement in the universities of Canada, and there is no part of science that is more the child of science, the bright-eyed creature of science, than the engineering profession.

As the minister knows, between the two great wars we lost thousands of our young graduates to the United States—graduates in medicine, physics, chemistry and in other branches of science, who went south and contributed to the development of that country. After the first great war, 1,250,000 Canadians went to the United States, as was indicated in a survey that was tabled in this house. Many of those men fought for this country at the risk of their lives. I hope therefore the minister will see to it that as far as possible graduates from our Canadian universities are given the preference in employment with crown companies.

I know it will be said that this corporation will make its annual report to the directors and that the facts will be submitted to parliament. Well, we had great hopes in that regard from the Canadian National, and we were also promised great things in connection with the Canadian Broadcasting Corporation. I remember the stand which my former leader took, quite properly, in regard to that corporation. He insisted that they should report to the house. But what do we find to-day? If you want to find anything about employment or control or salaries, for instance, they will tell you nothing.

The Chippewa canal, developing 550,000 horsepower, was built by graduates of Canadian universities. Sir Adam Beck insisted that the engineers engaged in that great undertaking should be Canadians, from Canadian universities. Canadians were employed and they built that magnificent system. As I said before, the minister was engaged in his profession as a young man at the time I was chairman of the harbour board, and he knows the record of Canadian graduates in discoveries in the northwest territories and the development of mining and other engineering projects in Canada. Only the other day I was making inquiries as to where the graduates in engineering of the university of Toronto and other universities will go to make a living, and I was told about what they had done in the great mining development in new Ontario—gold, silver, zinc, platinum, copper, lead, in fact, thirty-six minerals. Survey parties from Toronto, McGill, Queen's and other universities across Canada went out as students, and later as engineers, exploring these fields, and at times they had with them high school students. These people did not ask for any easy job in the summer time; they did not work forty hours a week, because you can never develop the resources of the country in that way. They left as students an easy time in the city and worked hard in the holidays to do something for this country.

I hope that the directors of these crown companies will consider this question of employment in the light of what I have said, because we are removing the corporation from the control of parliament and of the civil service commission. I hope it may work out all right; no one knows. I can say that I never got a job for anyone through the civil service commission from the time they were appointed. You cannot even get a branch subpost office where it is badly needed.

Coming back to section 8, I am not one of those who believe that public ownership should develop everything. The only branch of public ownership that has made a great success is the one I referred to a few minutes ago.

From our experience with the other crown corporations, we know that once the house has divested itself of any control over them parliament will get no information concerning them. Recently a list was given by one of the universities of young graduates who went to the United States. There were doctors of medicine and other professions. There were able graduates in the various branches of the great engineering profession, civil, electrical, chemical, mining, geological and other branches. They have gone to the United States to develop the resources of that country, the sea, the soil, the mines, the forests and so forth. They have gone there after this country has spent millions of dollars on their education. The provinces spend large amounts of money in grants to universities and public and separate schools to educate these young people, and when they graduate the only position they can expect in Canada, except for the odd man, is one which gives them a few dollars, not enough to keep body and soul together.

In connection with this venture I do feel that veterans should be given a chance to show what they can do in this work. Geological parties have been made up to go on surveys, and I hope that our young veterans are included. Our young Canadian university and high and technical school graduates have done much for the advancement of science, and they should be given an opportunity. The future development of the northwest territories will be somewhat under the control of the minister's department. This development may turn out to be one of the most promising that

we have ever had. While I have confidence in this venture and believe that it will work, still there is the question of security with regard to those who shall be employed. What check is there on these people?

Under section 8 the company is under the control and supervision of the officers and servants employed by the company. We know how it worked out with the Canadian Broadcasting corporation; they just snapped their fingers at parliament and said: "What are you going to do about it?" The same thing is true of the Canadian National railways. We have a committee that inquires into the operations of the Canadian National railways, and makes little or no check of it. On one occasion I called that committee a whitewashing committee. We do not want to have this corporation act the same way.

While I have every confidence in what is being done, I believe the time has come to limit some of the salaries to $10,000 a year. There should be a limit of $10,000 on those whom the directors employ without any order in council or special provision. I know of a young engineer about to graduate who has a position now which will pay him more than that, and he has just got a degree. That is true of the mining industry in Canada. If you pick up a copy of the manual issued by the financial and mining companies of this country you will see what has been done there for the benefit of Canadian industry and Canadian students on whom the country has spent so much money. It is possible that in the preparatory stages we may have to bring somebody from Britain or from our neighbour to the south, but I believe that ninety-five per cent of the technical men should be Canadians who have been educated as I have indicated. If that is done we shall be giving some help toward the real development of science.

There is another bill before us which has to do with scientific and other research councils. I shall not refer to it at the moment. I do not want to see this corporation under government control turned into research, and research just to keep the government of the day in office. Parliament should have some control over it, and we should have no politics in it. It seems to me that everything in parliament is politics. We are the worst party-ridden country in the world. I say that without fear of contradiction, because I have seen something of politics, since I have been sitting on the back benches for many years. I can tell the committee that the people in the constituencies want to get value for their money, and these crown companies are run solely from the commercial aspect. The people do not want to see their children and their grandchildren go to the United States after having gone through our technical schools and universities in the cities where in Toronto $12 to $14 million is spent on technical education. I want to see the children and grandchildren of our soldiers of the two wars get a chance to earn a livelihood and develop their own country, for which their fathers and grandfathers fought.

We do not see much reference to this in the newspapers. We shall not see much reference to the discussion here. In fact for all we do hear we might most of the time just as well meet in secret.

Then we have the broadcasting corporation —another one. A motion was on the order paper to-day calling for certain information and it was challenged. The house refused to give us any information on that government corporation. There are thousands of municipalities in this country. They developed their own power through Canadian engineers. They had control because it was a municipal scheme, and there was very little politics in it. I believe the time has come to consider the scientific aspect of this matter if we are to make any headway in research. A separate research council should take control and develop and explore these subjects. We have only touched the fringe of these mining subjects in Canada. We should undertake development without politics. We should develop our great heritage, coal and all these other things. It would mean a great deal in employment to the people of Canada. A wrong solution of it will not. If we get politics mixed up in this, we can say good-bye to any search or research, because, as I see it, that search is research trying to keep my hon. friends in office.

The minister, who is an engineer, has been showing some capacity and ability to get results. I do not agree with all that he has done, because you cannot get everybody to agree. Fortunately we have a diversity of opinion in this country, but I will say this about him. Since I have known him, and I have known him a long time, I have found him to be a man whom I, one of the opposition, can approach and he will give careful attention and consideration to what is placed before him. As an officer of a municipality and chairman of the harbour board, I found that out. I do not wish to say anything further on that. This should be a non-political venture. It would be a good thing if an individual who was not known to be of a certain political stripe could be placed on the directorate. There should be included men from different branches

of business so that these crown companies could develop solely from the commercial point of view.

Mr. HOWE: Every effort is being made to interest young graduates of engineering schools in the work of the corporations. At the moment there is an acute shortage of young scientists, or older scientists for that matter, and of engineers both young and old. My hon. friend can be assured that there will be no lack of openings in the next few years at least for men graduating from our universities.

While I am on my feet may I say that my authorities have been questioned on the point discussed by the hon. member for Carleton. I hold in my hand the Canadian Broadcasting Act of 1936. I shall read sections 16 and 17. While I am reading these sections the hon. member can compare them with sections 4 and 5 of the bill before us. Section 16 reads:

> The governor in council, on the recommendation of the minister, may authorize the Minister of Finance to place to the credit of the corporation working capital advances from any unappropriated moneys in the consolidated revenue fund, but the aggregate amount of such advances outstanding at any one time shall not exceed one hundred thousand dollars, and such advances shall be repayable to the Minister of Finance on demand.

Then section 17:

> The governor in council may authorize the construction, extension or improvement of capital works of the broadcasting facilities of the corporation in Canada and, on the recommendation of the minister, may authorize the Minister of Finance to place to the credit of the corporation from any unappropriated moneys in the consolidated revenue fund such sum or sums as may be necessary to carry out such construction, extension or improvement of capital works: provided that the total amount which may be authorized for the said purposes shall not exceed five hundred thousand dollars.

Then I have before me the consolidation of the National Housing Act of 1944. Section 27A thereof reads:

> The minister may pay any expenditure incurred under or in carrying out the provisions of this part, out of unappropriated moneys in the consolidated revenue fund to an aggregate amount not exceeding five million dollars.

I have the *Hansard* record of the vote on that question, and included among the yeas I find the hon. member for Carleton (Mr. Boucher), the hon. member for Vancouver South (Mr. Green) and the hon. member for Muskoka-Ontario (Mr. Macdonnell).

Mr. BOUCHER: I am very glad to have the minister place that on record, because if he will just check it up he will find a perfectly satisfactory reason for the stand I am now taking and the stand I took in that vote. In connection with the Canadian Broadcasting corporation we were speaking of one company, under one act, to operate in one way. We put a limit of $500,000 on the money which could be advanced. This bill places a limit on the amount that can be advanced in any one year, but no limit on the amount that can be advanced in any number of years.

Mr. HOWE: You are quite mistaken.

Mr. BOUCHER: Here we have a number of companies. This bill is to deal with all crown companies, including Polymer, Elorado or any others of the hundred or more companies which may be set up under it. So that our present submission is entirely consistent with our stand in connection with the broadcasting corporation, when we ask the minister to bring in one bill for each company, to limit the amount of money that may be given each company and to set out the powers of each company in a separate bill, just as was done in connection with the broadcasting corporation. It is an entirely different matter when you come to grant money for crown companies. Certainly parliament cannot expect to set up crown companies without granting them money; certainly under the broadcasting act we did grant money, and gave the governor in council certain power. But that power is much more limited in the act setting up the broadcasting corporation than in this bill. Here it is not limited to one company.

Mr. HACKETT: Moreover, that was a great public service and I submit should be distinct from the commercial enterprise or enterprises upon which the government may embark under this bill. Here we have no limitation restricting the corporations to what are sometimes called the public services, such as those rendered by the post office and by the broadcasting corporation, if you like. The whole realm of financial, industrial and commercial activity is thrown open to government action, and these powers will enable the government to finance these crown companies in an altogether extraordinary way. I am sure the minister has given mature consideration to the drastic and radical change made by section 3. Even during the war the profits made by these companies came to the treasury. They could not be expended or dealt with in any way by the corporations themselves. Under these powers the crown companies become masters of their own finances, and in each case independent undertakings financed by public moneys are free from the control of parliament. That, I submit to the minister, is subversive of the very elementary principles of parliamentary government.

Mr. HOWE: Then surely parliament must have been subverted many years ago, because a great many corporations do spend their earnings. For instance, the national harbours board does; the broadcasting corporation does; the Canadian National railway does, and it has been in operation since 1919.

Mr. HACKETT: Those are the great public services.

Mr. HOWE: How do you measure a great service? Polymer, with a capital of $50,000,000, is not a small service.

Mr. JACKMAN: It has a great inventory turn-over, but what is the turn-over of the national harbours board? It is nothing at all. It does not handle a commodity; it is a service company.

Mr. HOWE: It handles a great many commodities.

Section agreed to.

On section 9—Pension or superannuation.

Mr. FLEMING: On this section several questions immediately arise. Here we have provision that the Civil Service Superannuation Act shall not apply to the officers and servants employed by any of the companies to be established under the bill. The second subsection preserves all the rights of persons who may have had any rights under the civil service superannuation provisions before becoming employees or officers of one of these crown companies. What was said yesterday as to the effect of section 8 in creating a super civil service will likewise apply to this section. Not only that, but it is quite apparent that under this section it will be possible for a number of companies—and the number is unlimited as far as the legislation is concerned—each to have its own superannuation scheme. There may be the utmost diversity as between them, with wide discrepancies in amounts. I ask if that is a sound principle.

I invite you also, Mr. Chairman, to consider the fact that when we are dealing with legislative provision for the establishment of superannuation schemes we are dealing with something that contemplates a long period of time. Let us look at this situation squarely. Actually in this legislation the minister is playing a game for keeps. It is not just temporary legislation; it is not legislation introduced for a temporary purpose. If that were the case there would be no occasion, I suggest, for legislative provision to establish superannuation funds and take care of employees who have given over twenty years and often a lifetime of service. Let us be quite frank about it. What the minister had to say in the first place in justification for the bill was that there were five corporations which must continue to exist for a time, two to exist for a brief period and three for a long period.

In the two bills accompanying this bill, namely bills Nos. 154 and 165, we are asked to open the gates so that crown companies, without number and without limitation on their existence in point of time, may be established. The situation is simply this—and this section proves it beyond peradventure—that what parliament is now being asked to authorize is a permanent method of doing government business, namely a method whereby crown companies are set up by the government without first having reference to parliament, and without first having their creation subjected to direct parliamentary approval.

Legislation of this sort is not the kind of legislation which ought to precede the incorporation of crown companies to carry on specific projects of government business. If there are any hon. members who are still naive enough, after all the time spent in this debate, to believe that this is simply legislation to take care of an immediate and temporary purpose, then surely to goodness their eyes are opened by now.

I will say this for our C.C.F. friends to my left, that from the outset of the debate they have seen clearly the scope and potentialities of the bill.

Mr. FRASER: And they approved it.

Mr. FLEMING: That is a gentle word to describe the enthusiasm with which they have received this legislation. However, I give them credit for having been clear-sighted in their approach to the legislation. They can see that, so far as the effect of the legislation introduced by the minister is concerned, it is a policy of socialism for keeps.

Mr. KNOWLES: First of all, there is one point of a general nature I should like to have cleared up. It seems to me that most of the opposition raised against this measure by members of the Progressive Conservative party is based on the fear that the legislation makes it possible for the government, without coming back to parliament, to incorporate crown companies without number. There are many lawyers sitting to my right and, if that is their belief, I wish they would point out in the bill any section which substantiates that position.

Mr. GREEN: If the hon. member had been here last night he would have heard it discussed.

Mr. BOUCHER: The hon. member's imagination is running wild. We did not mention that.

Mr. KNOWLES: As I see the bill, it is simply what the title indicates, namely an act respecting the operation of government companies. I do not see anywhere in the bill a provision for setting up any crown company.

Mr. FLEMING: Has not the hon. member read the provisions of bills Nos. 154 and 165 which give power, with the approval of the minister, to go on setting up crown companies without number? And has he not regard for the fact that these three bills were introduced together, for common purpose?

Mr. HOWE: There are no such bills as those mentioned by the hon. member.

Mr. KNOWLES: The other bills to which the hon. member has referred substantiate the position I am taking, namely that in order to set up these companies without number, of which my hon. friends are afraid, legislation has to be brought before parliament.

Mr. FLEMING: No.

Mr. KNOWLES: If my hon. friend's position were well taken, it would not be necessary to bring in these other bills. Bill No. 155 would give that authority to the government.

Then, my hon. friends talk about our ready acceptance and approval of the bill. Yes, we do approve it, as far as it goes. As a matter of fact, we are not satisfied that it goes far enough; and the minister is quite aware of that. But it seems to me that there should not be quite so much loose talk about the bill's giving the government power which it does not give at all.

It is only a measure laying down a pattern by which crown companies are to be operated, if set up under these provisions. If I am wrong in that, then I should like to be corrected either by the minister or by hon. members to my right.

Mr. BOUCHER: The spending of a million dollars a month is more than a pattern, is it not?

Mr. KNOWLES: The million dollars to which my hon. friend refers has to have reference to a particular company which must either be already in existence or set up in the normal way by act of parliament.

Mr. FLEMING: No, not by act of parliament; it is under part I of the Companies Act, so far as the provisions of these other measures are concerned.

[Mr. Green.]

Mr. BOUCHER: Study the other bills.

Mr. KNOWLES: Bill No. 154 simply proves the point I am making.

I would interpret your leaning forward in the chair, Mr. Chairman, as a suggestion that I ought not to do what other hon. members have been doing, but rather that I should proceed to a discussion of the section. I have one or two suggestions to make, and I hope that the minister will realize they are made with a desire to be helpful and not to hinder the operation of the measure.

Mr. FLEMING: Helpful for socialism.

Mr. KNOWLES: I would refer first to section 9 (1) where I notice the word "may" appears. It is stated that these companies may establish and support a pension fund or group. It seems to me that the principle of making provision for the years of retirement of those rendering service should be accepted at least by the government, and with that in mind I would suggest that the word be changed to "shall", so that the provision would be compulsory, and that the companies would either have to be connected with some established pension fund or have to establish one for their employees.

Then, subsection 2 makes provision to keep on a superannuation basis employees who formerly were in the civil service and who came over into one of these crown companies. It also makes a similar provision for former civil servants who became employees of crown companies and then went back to the civil service. That, too, seems clear. However, I see no provision for employees of one of these crown companies who, let us say, in the event of such company completing its job and dissolving, have a chance to come into the civil service. Should not consideration be given to the beginning of a superannuation or pension fund right at the commencement of the term of service of all these employees, making sure that such arrangement would be completely interchangeable as between service in crown companies and in the civil service.

Mr. JACKMAN: Why not put them all under the civil service?

Mr. KNOWLES: That would be perfectly satisfactory to me. My only concern is that we should not lose any more time in recognizing the claim of those who render service to some security in their old age.

One other closely related question is that having to do with age limits as applied to entry into employment in government companies. I have at the moment one case in mind. It has to do with a young lady who

for a number of years was employed in a temporary capacity in one of the departments of government, and who recently was considered to have those special qualifications which would make her employment by the Canadian Broadcasting corporation desirable. I understand that arrangements were just about completed for her employment by that corporation when it was discovered that she was a little older than she looked. She was in fact slightly past the age limit of thirty-five years.

Mr. MacNICOL: You would not call that old.

Mr. KNOWLES: I do not, no. Because of that circumstance there seems to be some difficulty about her being employed by the Canadian Broadcasting corporation. I understand that the reason so far as the Canadian Broadcasting corporation is concerned is that it would not meet the provisions of their pension fund. Is there any danger of anything like that happening in connection with these companies? It seems to me that throughout employment generally, and certainly in government service, whether civil service or a crown company, there ought to be interchangeability. It should be possible for people to move about, particularly when, as happens in many cases, the experience gained in one line of government service makes a person desirable for some other kind of work. I would appreciate it, if the minister would comment on the suggestions we make for the purpose of strengthening the bill and making employment with these crown companies more attractive. In other words, they come from one who is in support of the measure before the committee.

Mr. MACDONNELL (Muskoka-Ontario): Would the minister allow me to add to that question? I apologize in advance of asking the question because, if it has any validity, it will really give assistance to the minister. As I read section 9 as worded, anyone entering the service of a crown company from the civil service would be entitled to whatever rights he would acquire while in the company and still retain all the pension rights he would have in the civil service. The latter part of subsection 3 would seem to indicate that he would have all the benefits, except salary, that he would have had as a civil servant.

There is another question I should like to ask with regard to subsection 2. It would appear that anyone employed in a government company would still be entitled to his rights under the civil service pension fund. In other words, he would be entitled to the contributions that had been made, I presume partly by the government. It is possible I may have read this subsection wrong, but I think I have read it carefully and it seems to me that there is that duplication.

Mr. HOWE: Section 9, subsection 1, makes provision for the setting up of certain benefits by the company, not necessarily a pension scheme. None of the crown companies formed during the war has a pension scheme. A company may have sickness insurance, a hospitalization fund or group insurance, which would be paid for by the employees with a contribution by the management. That is the type of benefit we have to-day in the crown companies. Crown companies which are permanent or reasonably permanent no doubt will apply to have a pension fund established. The rules of the pension fund will be worked out in agreement between the officers of the company and the superintendent of insurance for the government and would have to be approved by the privy council before being adopted. That is a matter for the future. This is simply permissive to allow the setting up of a fund of that sort.

Subsections 2 and 3 have appeared in every act that has been passed during the last ten years where there is a possibility of a civil servant being used in a government company. It is simply a provision to protect the rights of a civil servant who may leave government employ presumably to take temporary employment with a crown company. This provision preserves his rights to the benefits of the civil service fund. If he is already a member of the fund when he joins the company he can continue his payments into the fund and keep up his standing, even though he draws no salary from the government. But if he elects to keep his benefits under the civil service fund he is not entitled to the benefits of any superannuation fund that might be set up by the crown company. Obviously he would not be eligible to benefit from two types of superannuation under the federal government.

Mr. HACKETT: I understand that it is quite possible that the salary paid by a crown company would be greater than that paid in the civil service. Let us assume that a man earning $5,000 left the civil service to take a position with a crown company where he was paid $10,000; he would not be permitted to keep up his civil service insurance, if you permit me the word, to that extent and be insured in the company for the residue?

Mr. HOWE: No; the civil servant would contribute to the civil service pension fund on the basis of the salary he was receiving

when he left the civil service. If he were paid more money in the crown company it would not affect his position under the civil service fund.

Mr. HACKETT: It seems to me that in fairnes he should have some pension rights for his excess salary drawn from the crown company.

Mr. HOWE: The question is hypothetical because no crown company under the Department of Munitions and Supply or the Department of Reconstruction and Supply has at present a pension fund. I think the point raised by my hon. friend would require study if and when pension funds are established by crown companies. The only crown company that I know of that has a pension fund is the Canadian Broadcasting corporation. I am not familiar with the provisions of that fund, and therefore I cannot say whether the point raised by my hon. friend is met.

Section agreed to.

On section 10—Annual report.

Mr. JACKMAN: Would the minister be agreable to having these annual reports brought down to the public as soon as possible? The section as it stands provides that a company shall submit an annual report to the minister as soon as possible after the 31st of March in each year; the minister shall lay the report before parliament if parliament is then in session, or within fifteen days of the next session of parliament. Would the minister be agreeable to adopting the principle which applies under the Companies Act where a company submits its annual report, not as soon as possible but within four months? Would the minister be agreeable to having these reports published within the four month period?

Mr. HOWE: This is the standard section that is put in all bills. I doubt if hon. members would wish to have a report published in the press before it was presented to parliament. I would not be a advocate of that. If I were a member of the opposition I should like to see the report before it was published, or at least as soon as it was published, so that my comments on the report could go out. I think it is desirable to follow the standard form. This section will be found in a great many bills having to do with similar corporations, and I believe it would be unwise to have a departure from that practice in this case.

Mr. JACKMAN: Most government reports do not concern business enterprises where time is of some importance. If the fiscal year of a company corresponded with the government fiscal year the auditor general would have four months to go over the accounts. That would take it into the summer. We hope that parliament will not always be sitting through the summer months. That would mean that in all likelihood the report would not be tabled until parliament assembled in January or February of the following year, at which time the report would be from eight to ten months stale. I think the question of time outweighs the minister's argument that members of parliament would like to have the report submitted to them first rather than to the press of the country simultaneously. I hope that the minister will give consideration to the suggestion I am making. I do not think it would cause him or the department any difficulty, and it would mean that we should get the information when there is still time to bring about any rectification in policy or to make any comments needed.

Mr. HOWE: I would hesitate to change on the spur of the moment the practice that has been well established in connection with these crown companies. Every corporation of the government has a section similar to this.

Mr. JACKMAN: The report of the Canadian National railways is always tabled in parliament before it is printed in the newspapers. Certainly the monthly earnings are not tabled in the house but are given to the newspapers from month to month. I think that is the way that any business enterprise, whether government-owned or privately owned, should carry on. The minister should draw a distinction between this type of company and certain other emanations from the crown.

Mr. COCKERAM: Would it not be possible to have the fiscal year of these companies end on December 31? Then the figures would be available to parliament during the session. I do not see why the fiscal year of these companies should have to coincide with the fiscal year of the government.

Mr. HOWE: I shall be glad to give consideration to that suggestion. The fiscal year of the Canadian National railways was changed so that it would terminate with the end of the calendar year. I dare say that could be done. I shall be glad to give it consideration.

Section agreed to.

On section 11—Coming into force.

Mr. HOWE: I have an amendment, Mr. Chairman, to section 11 which I shall ask my colleague the Minister of Veterans Affairs to move. It is as follows:

That section 11 be deleted and the following substituted therefor:

"This act shall apply to a company only from the date of the issue of the proclamation by the governor in council declaring this act to be applicable to such company."

Mr. MACKENZIE: I move accordingly.

Mr. BRACKEN: Would the minister explain the effect of this amendment?

Mr. HOWE: Yes. As I explained to hon. members, there are at the moment some thirteen companies which would be affected by the proclamation of the act. It is the feeling of the department that the act need not apply to certain of these companies which will be wound up in the next two or three months. The purpose of the amendment is to permit the government to select companies at present in process of being wound up and to apply the act only to those others which will require its application for a fairly long period.

Mr. FLEMING: If I may make an observation, it will be noted that the proposed amendment is not confined to existing companies. The reason given by the minister for the amendment relates purely and simply to existing companies, because he says it may not be expedient to apply the act to certain companies now existing. But the amendment goes much farther than that. It applies to any company whether in existence to-day or hereafter created. Certainly if there is any merit in the bill there can be no justification for a series of orders in council applying its provisions in turn to any one of the numerous companies which may be set up as crown companies in the future. My suggestion to the minister, in the light of the ground he has put forward, is that the amendment be confined to existing companies. If there is reason for not applying it to companies which are in process of being dissolved and their charters surrendered, well and good; but once you make that exception, surely there should not be any reason for not making a general proclamation of the act. Is it reasonable to make individual proclamations of the act making it applicable to a particular company? The minister has put this bill forward as one which was required to lay down a course of procedure and a method of financing for crown companies in general, with the exception of statutory companies. That is a long way from his amendment. If the amendment passes in the form in which it has been introduced it will mean that it will be possible to defer any general proclamation of the act and reserve to the governor in council the power to say to which individual company, whether in existence now or hereafter created, the act shall have application.

Mr. HOWE: My hon. friend's colleagues spent several hours in arguing that there should be a separate bill for each company, and now he is arguing that there should be one bill of general application.

Some hon. MEMBERS: No.

Mr. HOWE: If a company is brought into existence it must have a body and legal existence. This is the standard provision for companies under part I. Since my hon. friend's colleagues have argued strongly for a separate bill for each company, he should not object strenuously to a separate order in council for each company. He seems to be taking a strange position.

Mr. FLEMING: It is not a strange position, as the minister will see if he will apply a little logic. Here is an amendment which cuts right across the principle for which the minister has been arguing throughout the consideration of this measure. If there is any merit in the legislation, surely the ordinary rule should apply, that there shall be one proclamation of the act. The minister says: We have a situation which makes it desirable for us not to apply this measure to certain existing corporations. But he did not answer my point. I tried to make myself clear and thought I had spent enough time in doing so. I do not want to take up more time than is necessary for a clear understanding of the situation. The effect of the amendment will be this. It will lie within the power of the minister—it is always a question of giving the minister more power, and that is what we object to—to decide whether the act shall or shall not apply to any particular crown corporation as long as it is a joint stock company. That being so, the amendment cuts right across the principle for which the minister has been arguing right along, the principle which he says he has sought to give effect to in introducing a general bill of this kind applicable to all crown companies incorporated under part I of the Companies Act. Far from cutting across the position for which I have been contending all the way through, the position I now take is precisely in keeping with that which I have taken all along, and what I have said is put forward with a view to making a constructive suggestion in order to be helpful to the minister, though I do not think he has accepted it in that light. I think the amendment proposed ought to be further considered. I should be surprised if in introducing this amendment the minister had in mind anything more than the existing companies to which he has referred.

Mr. HOWE: It is quite true I had in mind existing companies. I had in mind that Allied War Supplies, one of the largest of the crown companies, is expected to be liquidated before the 1st of July, and therefore it is hardly worth while applying this bill to Allied War Supplies. But there are existing companies to which it is applied, which will require the provisions of the act prior to their winding up, instead its being applied automatically to companies such as Allied, which does not require it. The officers of my department have suggested that it be applied by order in council to each individual company rather than by a blanket provision to all companies. As far as new companies are concerned, if they are set up under act of parliament, such as the national research council, they could not be effective until the rules and regulations were applied. The provision now suggested would permit those rules and regulations to apply through the issuance of order in council rather than automatically.

Mr. BOUCHER: I am impressed by the last words of the minister when he said that the officers of the department felt that this act should be applied by order in council to individual companies. I think that is entirely consistent with the argument which has been advanced, that this whole act should be a measure with respect to each company when that company is created, and not an act covering all companies. But if the minister makes the amendment he is actually making this act, which was general, apply only to such companies as the governor in council may select for its application. I do not know what the intention is. The minister may have the very best intentions now and his intentions may be exclusively confined to existing companies; but it would seem anomalous if we were to allow the act to pass so that the minister could say that company A shall have the benefit of the powers, privileges, liabilities and so forth and that company B, run under similar circumstance, a similar business, shall not. If we come to that point, then I suggest that the minister should take the officers of the department again into consultation and see whether they will not agree with us that a separate bill should be brought in for each company, setting out its powers, privileges and liabilities.

Amendment agreed to.

Section as amended agreed to.

Bill as amended reported.

Mr. SPEAKER: When shall the bill be read the third time?

[Mr. Fleming.]

Mr. HOWE: Mr. Speaker, with the unanimous consent of the house I should like to have it read now.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, the measure before us has had very full discussion and what I am about to say need not take more than a very few minutes. It has to do, however, with one of the fundamental features of the measure, namely, the drawing upon unappropriated funds for the financing of these government companies. The bill is for the operation of government companies, including their financing, and it provides for financing them out of —I think I use the words correctly—unappropriated moneys in the consolidated revenue fund.

It is important that hon. members should thoroughly understand what we are doing in this measure. The measure itself is for the operation of government companies, companies already set up under other measures, or companies which may yet be set up under measures now existing or which later may be brought in. We are saying to the government that, no matter how many of such companies there are or may be, the government by this bill may arrange for financing any or all of them from unappropriated moneys in the consolidated revenue fund.

What is the consolidated revenue fund? It is one fund into which all of the revenues of the government are brought, whether derived from taxation, from borrowings, from earnings or from any other source. That is the consolidated revenue fund. What this parliament does when the government comes in with a supply bill or a money bill or an appropriation bill is to authorize the government to spend so much money on specific enterprises of one kind or another. They are called appropriation bills. Out of that consolidated revenue fund parliament authorizes the government to draw so much money for specific purposes, nearly all of which will be found in the estimates for the present fiscal year and some of which will come down in supplementary estimates later.

Let us assume for a moment that the consolidated revenue fund changes. It is changing daily. Let us suppose the fund is $4,000 million, or that amount may be accumulated during a given period of time. This house may have directly authorized, either in the estimates now or by statute formerly, the expenditure by the government of only $3,000 million. There is therefore a balance left in the consolidated revenue fund. What we are doing by this bill is saying to the government, "You have government companies now. You may set up other government companies

under other bills than this, and you may draw upon this fund to the extent provided for the operation of any or all of them without coming back to this house again." In other words, it is a blank cheque of a size that we do not know. Not only is it a blank cheque of a size that we do not know, but it can be arranged by the government in any way it choose after we have gone. It is in effect an appropriation bill not for this year only but for as long as the measure remains on the statute books. We thereby give the government power to draw on any balance that there may be in the consolidated revenue fund of this country, to operate these companies. My submission is that it is much too broad powers to take away from parliament and put in the hands of the governor in council. That is the only point I propose to raise on this measure at this time. I think it is a matter of fundamental concern to the house and to the country. The minister said that it had been done before in some cases. Suppose it has been. It does not need to be continued. And generally when it has been done before it has been done for specific measures. Therefore I wish to move, seconded by the hon. member for Carleton (Mr. Boucher):

That Bill No. 155 be not now read a third time but that it be referred back to committee so as to be amended as follows:

1. That the word "unappropriated" in the third line of paragraph (a) of section 4 of the said act be deleted and the word "appropriated" be substituted in its place.

2. That the word "unappropriated" in the second line of paragraph (b) of clause 5 of the said act be deleted and the word "appropriated" substituted in its place.

3. That the word "unappropriated" in the third line of paragraph (c) of clause 5 of the said act be deleted and the word "appropriated" substituted in its place.

This amendment means simply that the government may draw upon funds that may be appropriated from time to time for the operation of these companies, but that we do not give the government a blank cheque now of unknown size. This bill is an appropriation measure for as long as the act remains on the statute books, the result of which is that the government may draw huge sums for the operation of present and subsequently formed companies without coming back to this house again for the appropriation of funds. The amendment I have moved would require the government to get the approval of parliament for specific expenditures. It is opposed to giving the government a blank cheque of unknown size.

Hon. C. D. HOWE (Minister of Reconstruction and Supply): The purpose of the amendment would be to destroy any meaning whatever of sections 4 and 5. The bill would then read:

The governor in council may

(a) authorize the Minister of Finance to advance to a company, by way of loan, additional working capital out of appropriated moneys in the consolidated revenue fund.

Obviously, if the moneys were appropriated it would not require this bill to authorize the Minister of Finance to pay the money over to the company. In authorizing the appropriation bill, parliament would have already taken that step. The purpose of sections 4 and 5 is to authorize the government to afford temporary relief in case of need to the company, subject to later appropriation by parliament. The reason is that these companies are now operating in a commercial field and are not able to predict their financial requirements in advance as accurately as is a government department.

My hon. friend has referred to the present provision as a blank cheque. The cheque is not blank. A maximum amount is definitely specified. It is $500,000 in the case of working capital, and $500,000 in the case of capital advances.

An hon. MEMBER: For each company.

Mr. BRACKEN: But there are a number of them.

Mr. HOWE: For each company. It does not matter if there are thirteen companies, the advance to one cannot be $500,000 multiplied by thirteen.

Mr. BRACKEN: It may mean thirteen more.

Mr. HOWE: It may. In any event, each company is taken individually. They do not make application all together. The practice is not new. I have referred to the Canadian Broadcasting Act where the limit is $100,000 for working capital advances and $500,000 for improvement of capital works. In the case of Bretton Woods, which hon. gentlemen opposite voted for only a few months ago, the limit was $700,000, and in the case of the Central Mortgage and Housing corporation the limit is $7,000,000 that can be drawn. Exactly the same words were used in all these acts. In other words, they are standard provisions which have been placed in the acts setting up government corporations.

As I have said, to change the word "unappropriated" to "appropriated" would make the provision absolutely meaningless, because if the money has been appropriated it does not require any provision in any act other than the Appropriation Act to place it at the

disposal of the corporation or any other agency to which the appropriation was made. Therefore, Mr. Speaker, I ask hon. members to oppose this amendment as being an attempt to vitiate that which the government believes to be important to the successful operation of the crown companies which would be affected by it.

Mr. C. C. I. MERRITT (Vancouver-Burrard): I have some slight interest of a personal nature in this measure in that last night when I put this point to the minister he said: "My hon. friend is quite mistaken." That remark appears at page 2186 of *Hansard*. Last night in deference to the minister's experience I did not go on, but on examining the question after that incident I found that what I had said was, in my view, strictly correct.

On many occasions, both last night and to-day, the minister said that these payments are subject to later appropriation by parliament. After being further questioned by the hon. member for Carleton (Mr. Boucher), the minister said, as appears at page 2186 of *Hansard*:

> The further step is a vote of parliament appropriating the money.

Therefore it is quite clear that the minister intends to come back to parliament each year to have this money voted. The wording of section 5, as it exists in the bill, however, does not require the minister to come back to parliament for the money. I am sure that the minister would not wish the statute to be passed in a form which he does not intend it to take.

Last night I said that I thought this section was analogous to the provision in the Family Allowances Act whereby the amounts of family allowances paid are a statutory vote and are not subject to discussion and control in the estimates, although in fact they appear in the estimates; whereas the administrative expenses of the Family Allowances Act are subject to control by parliament, are discussed in the estimates and are in a numbered vote which can be controlled by vote of the committee of supply. I referred, therefore, to the Family Allowances Act and found that what I had stated was exactly the case. Section 3 of that act contains wording similar to that of section 5 of the measure now before us, and provides that these family allowance payments may be made out of unappropriated moneys in the consolidated revenue fund. Then, when I turn to page 28 of this year's estimates I find an item covering family allowance payments of $250,000,000, with "(S)" before it instead of a number, showing that it is in fact a statutory item which does not require to be voted. To prove more conclusively that I am right, in section 16 of the Family Allowances Act provision is made for the payment of administrative expenses, in these words:

> The expenses necessary for the administration of this act, other than payment of allowances, shall be payable out of moneys appropriated by parliament for the purpose.

If you turn again to page 28 of this year's estimates you see item 228, "Family allowances—administration", showing that to be the way of providing for a controllable vote, and that the present wording pertains to a statutory vote. The minister has said several times that he intends to come to parliament for these moneys every year, and I am sure he would not wish the statute to pass in a form that would not require him or possibly his successors through the years to come to parliament. In fact, as the section now stands, it is my view that, no matter how much the minister wished to come to parliament for these moneys at the time the estimates are brought down, legally he would not be able to do so.

Mr. G. RUSSELL BOUCHER (Carleton): I believe that one other point in the minister's last statement might be brought before the house. The minister stated that to amend the bill as suggested by the leader of the opposition (Mr. Bracken) would vitiate sections 4 and 5. Let us analyse that statement. Sections 4 and 5 provide that by order in council the dominion government may pay out of the consolidated revenue fund to any crown company and any number of crown companies a sum or sums up to $500,000, and at any time. In the second place, it can give in the same way to any company or any number of companies, and even the same company or companies as before, in any fiscal year and, I submit, in every fiscal year if that should be so decided, a further sum of $500,000. The minister says that even if an order in council is passed allocating moneys to these firms it will be brought back to parliament and there discussed. I cannot agree with that statement because I do not understand how it would be done. This amendment simply means that the money must be voted by parliament before an order in council can transfer it to a company.

The minister says that if the government is not permitted to advance this money by order in council before it is voted by parliament, sections 4 and 5 are of no value, that their meaning will be destroyed. According to his statement, therefore, sections 4 and 5 have absolutely no meaning or significance if

parliament is consulted before an order in council is passed. But he suggests they have a meaning if the order in council can be passed giving the money to the companies, with parliament then asked to approve something already accomplished. In other words parliament is to be asked to lock the barn door after the horse is stolen. I believe that the minister's own statement more than justifies the discussion this afternoon and last evening in opposition to this blank cheque legislation. I say "blank cheque" because, while it is a limited cheque, there is no limit to the number of companies that may get this limited cheque, or on the number of years during which that cheque may be issued.

In the amendment which was moved before the bill came out of committee the minister said he was making this act apply to one company; that they could not make it apply to any others, but they could make it apply to any company by order in council at any time they saw fit to do so. In view of these very revealing statements by the minister, Mr. Speaker, I believe the present amendment is entirely justified.

Mr. HOWE: I should like to argue the point as to whether this is a blank cheque. If my hon. friend would like to know how blank cheque legislation reads let me read—

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: The minister has a perfect right to answer a question, but if it is not a question he may not speak a second time.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, this is the end product of what I referred to last evening. During yesterday's debate most of the hon. gentlemen to my right who spoke to this measure referred to the few remarks I made the previous evening. Of course I feel greatly flattered that what I said should have so much significance, but as a matter of fact I did not say at all what my hon. friends have suggested I did. We are supporting this bill, not because it represents socialism or is a step in that direction. I am not going to discuss that aspect now, but I want to submit that in my opinion the amendment is out of order. I would refer to citation 344 of Beauchesne's Parliamentary Rules and Forms, third edition, at page 136:

It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

I submit, sir, that this amendment is not intelligible or consistent with itself. The leader of the opposition (Mr. Bracken) moved the amendment and then explained it; but what he said in explanation is not what the house has before it. It has what appears in the written amendment, and it contains these words:

That Bill No. 155 be not now read a third time but that it be referred back to committee so as to be amended as follows:

1. That the word "unappropriated" in the third line of paragraph (a) of section 4 of the said act be deleted and the word "appropriated" be substituted in its place.

Then it goes on through the other sections, proposing a similar change. The point I wish to make is that if the money has already been appropriated it cannot be appropriated a second time. Consequently I submit that the amendment is out of order.

Mr. GRAYDON: Good team work.

Mr. DEPUTY SPEAKER: On the point of order, I rule that the amendment is in order. My belief is that the point raised by the hon. member for Vancouver East (Mr. MacInnis) is more one of procedure. Is the house ready for the question?

The house divided on the amendment (Mr. Bracken) which was negatived on the following division:

YEAS

Messrs:

Aylesworth	Jackman
Barrett	Jaques
Black (Yukon)	Johnston
Blackmore	Kidd
Blair	Kuhl
Brooks	Lockhart
Case	Low
Charlton	McGregor
Church	McMaster
Daniel	MacNicol
Diefenbaker	Marshall
Dorion	Menary
Drope	Merritt
Fair	Murphy
Ferguson	Pearkes
Fleming	Rowe
Fraser	Senn
Fulton	Sinnott
Graydon	Skey
Green	Stephenson
Hackett	Stirling
Harkness	Tustin
Hatfield	Webb
Hazen	White (Hastings-Peterborough)—50.
Henderson	
Homuth	

NAYS

Messrs:

Abbott	Baker
Archibald	Beaudoin
Argue	Belzile
Arsenault	Benidickson

Bentley	Lalonde
Bertrand (Laurier)	Langlois
Bertrand (Prescott)	Lapointe
Bourget	Laurendeau
Bowerman	Leger
Bradette	Lesage
Brown	Little
Brunelle	McCann
Bryce	McCuaig
Burton	McDonald (Parry Sound)
Campbell	McIlraith
Castleden	MacInnis
Claxton	McIvor
Cloutier	Mackenzie
Coté (Matapedia-Matane)	MacLean
Coté (St. Johns-Iberville-Napierville)	Maloney
Coté (Verdun)	Marquis
Croll	Martin
Cruickshank	Matthews (Kootenay East)
Dechene	Michaud
Dion (Lake St. John-Roberval)	Mitchell
Dionne (Beauce)	Moore
Dubois	Mullins
Emmerson	Mutch
Eudes	Nicholson
Farquhar	Nixon
Fournier (Hull)	Parent
Gariépy	Picard
Gauthier (Nipissing)	Probe
Gauthier (Portneuf)	Raymond (Wright)
Gibson (Hamilton West)	Reid
Gillis	Richard (Gloucester)
Gingues	Richard (Ottawa East)
Gladstone	Robinson (Simcoe East)
Gour (Russell)	St. Laurent
Gourd (Chapleau)	Sinclair (Ontario)
Grant	Stewart (Winnipeg North)
Hamel	Stuart (Charlotte)
Harris (Grey-Bruce)	Strum, Mrs.
Healy	Townley-Smith
Herridge	Tremblay
Howe	Viau
Ilsley	Weir
Irvine	Whitman
Jaenicke	Winkler
Jean	Winters
Jutras	Wright
Knowles	Zaplitny—105.
Lafontaine	

PAIRS

(The list of pairs is furnished by the chief whips.)

Black (Chateauguay-Huntingdon)	Cardiff
Breithaupt	Harris (Danforth)
Bridges	Ross (St. Paul's)
Chevrier	Casselman
Clark	Desmond
McCubbin	White (Middlesex East)
Pouliot	Ashby
Bertrand (Terrebonne)	Lacombe

Mr. STOKES: I was paired with the hon. member for Chambly-Rouville (Mr. Pinard). Had I voted I would have voted for the amendment.

[Mr. Deputy Speaker.]

Mr. BLANCHETTE: I was paired with the hon. member for Wentworth (Mr. Lennard). Had I voted I would have voted against the amendment.

Mr. ISNOR: I was paired with the hon. member for Colchester-Hants (Mr. Stanfield). Had I voted I would have voted against the amendment.

Mr. MacNAUGHT: I was paired with the hon. member for Elgin (Mr. Coyle). Had I voted I would have voted against the amendment.

Mr. BOUCHER: I was paired with the hon. member for Pictou (Mr. McCulloch). Had I voted I would have voted for the amendment.

Mr. ROSS (Souris): I was paired with the Minister of Agriculture (Mr. Gardiner). Had I voted I would have voted for the amendment.

Mr. MANROSS: I was paired with the Deputy Speaker (Mr. Macdonald) (Brantford City). Had I voted I would have been out of order.

Mr. COCKERAM: I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted I would have voted for the amendment.

Mr. ADAMSON: I was paired with the hon. member for St. James (Mr. Beaudry). Had I voted I would have voted for the amendment.

Mr. HODGSON: I was paired with the hon. member for York North (Mr. Smith). Had I voted I would have voted for the amendment.

Mr. McLURE: I was paired with the hon. member for Queens (Mr. Douglas). Had I voted I would have voted for the amendment.

Mr. BLACK (Cumberland): I was paired with the hon. junior member for Halifax (Mr. Macdonald). Had I voted I would have voted for the amendment.

Mr. SMITH (Calgary West): I was paired with the Minister of Trade and Commerce (Mr. MacKinnon). Had I voted I would have voted for the amendment.

Mr. BONNIER: I was paired with the hon. member for Bruce (Mr. Robinson). Had I voted I would have voted against the amendment.

Mr. GAGNON: I was paired with the hon. member for Shefford (Mr. Boivin). Had I voted I would have voted for the amendment.

Mr. MACDONNELL (Muskoka-Ontario): I was paired with the hon. member for Outremont (Mr. Rinfret). Had I voted I would have voted for the amendment.

Mr. SPEAKER: On the point of order raised by the hon. member for London, I must rule that he was strictly in order.

Mr. BRACKEN: I move that your ruling be made unanimous.

Mr. HOWE moved the third reading of the bill.

Motion agreed to, on division, bill read the third time and passed.

On motion of Mr. Mackenzie the house adjourned at 5.55 p.m.

Thursday, June 6, 1946.

The house met at three o'clock.

TAXATION

AGREEMENT BETWEEN CANADA AND UNITED KINGDOM

Right Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): On behalf of the Secretary of State for External Affairs I wish to table copies of two agreements for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and with respect to duties on the estates of deceased persons between Canada and the United Kingdom, signed in London yesterday and being tabled in the House of Commons in London to-day. I understand that the Minister of National Revenue has a statement to make in regard to these agreements.

Mr. BRACKEN: Has the minister copies immediately available?

Mr. ST. LAURENT: Copies have been mimeographed, and I have tabled three of them.

Mr. COLDWELL: Could they be printed in *Votes and Proceedings* so that they would be available? Are they too long for that?

Mr. ST. LAURENT: They are quite long, they are printed in the treaty series of external affairs and will be available in pamphlet form for the convenience of members of the house.

Mr. COLDWELL: Thank you.

Hon. J. J. McCANN (Minister of National Revenue): I wish to make a statement with reference to the agreements which have just been tabled. The above mentioned agreements, *inter alia*, affect, as to Canada, income tax, excess profits tax and succession duties; as to the United Kingdom, income tax, excess profits tax, national defence contributions, and estate duty.

Income tax, excess profits tax, national defence contributions:

(a) As to both countries, the industrial and commercial profits of a branch are to be initially taxed in the country of source, with credit for the tax so paid in the country of receipt, if the same profits are there subject to tax;

(b) Profits of ships and aircraft are taxed only in the country of residence of the taxpayer;

(c) Canada may deduct up to fifteen per cent at the source in respect of dividends, interest and other like income going to the United Kingdom;

The United Kingdom forgo their claim for surtax on income arising in the United Kingdom coming to Canada.

Each country will give credit for the taxes paid in the other;

(d) Both countries exempt copyright payments from taxation at the source, except rents and royalties in respect of motion picture films;

(e) The salaries of Canadian civil servants shall not be subject to tax in the United Kingdom, and vice versa;

(f) Canada will not tax a United Kingdom resident who earns income in Canada through personal presence in Canada if he is not in Canada over 183 days, and vice versa;

(g) Pensions and annuities arising in the United Kingdom, payable to residents of Canada, other than government pensions, shall be exempt from United Kingdom tax, and vice versa;

(h) Professors and teachers shall be exempt when temporarily in one. of the countries for periods not exceeding two years;

(i) A student or business apprentice of one of the countries while in the other country for educational or training purposes, shall be exempt from tax on payments for his maintenance from the country of his permanent residence;

(j) There shall be reciprocal exchange of information on request but for reason either may refuse to give the information;

(k) The agreement may be extended to colonies or protectorates imposing taxes substantially similar to those mentioned herein, but the subsequent cancellation of any such agreement does not affect the agreement between the United Kingdom and Canada;

(l) The duration of the agreement shall be three years, and may be terminated thereafter following a clear six months' notice and one year thereafter.

The main parts as to succession duties, or estate duty as it is called in the United Kingdom, are:

(a) The situs of the property substantially follows the general law of situs;

(b) In the country of non-domicile the duty shall be based, as to rates and collections made, only on the assets having a situs in such country;

(c) Credit shall be allowed by the country in which the deceased was domiciled of the tax paid on the assets situated in the other country, within certain limits;

(d) Refund claims must be made within six months from the date of death;

(e) Information may be exchanged which is available under the laws of the two governments;

(f) The duration of the agreement shall be for three years and may be terminated on sixty days' notice or longer.

THE GOVERNOR GENERAL

ANNOUNCEMENT OF ARRIVAL IN ENGLAND

On the order of motions:

Hon. COLIN GIBSON (Minister of National Defence for Air): Mr. Speaker, I am happy to inform the house that His Excellency the Governor General, accompanied by General Crerar, landed in England this morning by R.C.A.F. plane. They left Ottawa at four o'clock yesterday afternoon, and after a stop at Goose they arrived at Northolt airport at 10.26 this morning, eastern daylight saving time, within six minutes of the estimated time of arrival.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 166, for the relief of Lillian Audrey Atkinson Jackson.—Mr. Casselman.

Bill No. 167, for the relief of Bernard Cook. —Mr. MacLean.

Bill No. 168, for the relief of Estelle R. Warhaft Slobod.—Mr. Maybank.

Bill No. 169, for the relief of Alexander Fitz Ormonde Spooner.—Mr. Maybank.

Bill No. 170, for the relief of Eleanor Williams.—Mr. Maybank.

Bill No. 171, for the relief of Joseph Henri Veaudry.—Mr. Maybank.

Bill No. 172, for the relief of Amelia Jezik Pascas.—Mr. Maybank.

Bill No. 173, for the relief of Cyril Mackie —Mr. Maybank.

Bill No. 174, for the relief of Carol Gordon Cass Planche.—Mr. Maybank.

Bill No. 175, for the relief of Eveline Richmond Sykes Lacoe.—Mr. Maybank.

Bill No. 176, for the relief of Miriam Vineberg Perel.—Mr. Maybank.

Bill No. 177, for the relief of Paul Krawchuk.—Mr. Maybank.

Bill No. 178, for the relief of Henry Arthur Creates.—Mr. Maybank.

Bill No. 179, for the relief of Stephanie Tymchuk McLean.—Mr. Maybank.

Bill No. 180, for the relief of Annie Spivack Prosterman.—Mr. Maybank.

Bill No. 181, for the relief of Kenneth Edwin Morrison.—Mr. Maybank.

Bill No. 182, for the relief of Almeda Mabel Hartry Ritchie.—Mr. Boucher.

Bill No. 183, for the relief of Margo Ismena Graydon Heubach.—Mr. Maybank.

Bill No. 184, for the relief of Erika Gossen Tenzer.——Mr. Maybank.

Bill No. 185, for the relief of Isabel Greenshields Biggs.—Mr. Maybank.

Bill No. 186, for the relief of Henri Edme Bernard.—Mr. Boucher.

Bill No. 187, for the relief of Nellie Harrison Andersen.—Mr. Maybank.

Bill No. 188, for the relief of Marie Irene Clementine Elizabeth Ash.—Mr. Maybank.

Bill No. 189, for the relief of Alexander Grant.—Mr. Maybank.

Bill No. 190, for the relief of Thomas Beach. —Mr. Casselman.

Bill No. 191, for the relief of Fanny Miller Astrofsky.—Mr. Maybank.

Bill No. 192, for the relief of Grace Ellen Rafter Munro.—Mr. Maybank.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EXPLOSION AT BEDFORD BASIN NAVAL MAGAZINE, 1945

Mr. BLACK (Cumberland):

1. What claims have been paid in connection with the explosion at the naval magazine, Bedford Basin, Nova Scotia, in July, 1945, stating the amount; to whom paid, and for what reason?

2. What claims have been rejected, and for what reason?

Mr. MAYHEW:

1 and 2. To answer these questions as they are presently worded would involve the examination of approximately 12,000 files and the extraction of material therefrom. The hon. member has kindly agreed to these questions being answered in a general manner.

To May 31, 1946, 9,989 claims have been appraised in an amount of $4,729,600, or an average of $473.48 per claim. It is estimated that an additional 1,731 claims in an amount of $545,400 remain to be paid.

To May 31, 1946, 323 claims have been rejected for the following reasons: Duplications, 226; no damage, 31; consequential loss, personal injuries and government property, 66.

It is estimated that 555 claims presently under review will be rejected because (a) not owner of property, and (b) no reasons given for not having filed claim prior to cut-off date of January 31, 1946.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE —PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Department of National Health and Welfare?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. CLAXTON: The following is the information asked for:

1. $26,516.40, based on current annual salaries (including cost of living bonus, if any).

2 and 3.	Annual salary (including cost of living bonus, if any)
Rowse, F. A.	$3,120 00
Ferguson, Miss F. M.	2,598 12
Herron, D. M.	2,598 12
Young, J. C.	2,598 12
Holmes, H. W.	2,298 12
Graham, G. C.	1,721 04
Clarke, Miss L. M.	1,661 04
Clost, D. V.	1,601 04
Hamilton, Mrs. M. J.	1,474 20
Burns, R. A.	1,404 00
Fulkerson, Mrs. E.	1,183 20
Cooke, Mrs. G.	1,193 40
Bergeron, Miss A.	1,042 80
Bouvier, L. M.	1,040 40
Olding, Miss N. A.	982 80

4. Yes; approximately $1,700 per monthly issue.

CHINESE IN CANADA

Mr. NICHOLSON:

1. How many Chinese have been permitted to establish residence in Canada since 1923?
2. How many Chinese have been permitted to enter Canada as tourists since 1923?

Mr. GLEN:

1. Nine persons of Chinese origin have been admitted to Canada as immigrants since 1923.

2. Information not available, as persons entering Canada under non-immigrant status are not recorded statistically under various sub-classifications.

FINANCE DEPARTMENT—PUBLICITY PERSONNEL

Mr. HOMUTH:

1. What is the total cost of the publicity personnel in the Finance Department?
2. Who is employed?
3. What salaries are they paid?
4. Is a departmental paper published? If so, what is the cost of publishing same?

Mr. MAYHEW:

1. $95,200 per annum.
2 and 3.

Name	Salary
Mr. R. S. Mackay	$5,000
Mr. J. W. Sivers	3,800
Mr. W. J. Geldart	3,600
Mr. O. Robitaille	3,120
Mrs. B. M. Cameron	3,000
Mr. E. M. Chantler	3,000
Mrs. T. W. Taschereau	2,400
Mrs. E. J. Jamieson	2,400
Miss Mary I. Turner	2,700
Mr. L. R. Daigneault	4,500
Mrs. H. W. Cunliffe	3,000
Mr. G. M. Grant Smith	3,000
Mrs. A. Senecal	2,700
Mr. M. Sainte-Marie	2,400
Miss F. Belair	2,400
Mr. H. Dutil	3,000
Mr. W. J. Maynes	2,700
Mr. K. F. Pettis	3,600
Miss Jean Love	3,000
Mrs. E. Harvey	2,400
Mr. A. G. Smith	3,600
Mr. R. Kenvyn	2,820
Mr. G. R. Bothwell	2,520
Miss M. A. Gamble	1,800
Mr. T. M. MacPhail	1,620
Miss B. May	1,920
Miss H. R. Cookson	1,680
Miss M. H. Macdonald	1,620
Miss S. B. Middlebrook	1,380
Miss H. E. Dawson	1,380
Mrs. J. Jackson	1,440
Mrs. G. Maillet	1,380
Miss D. Valiquette	1,200
Miss M. F. Brisbois	1,140
Mrs. A. McMorrow	1,080
Miss L. Ouelette	1,140
Mrs. A. Stokes	1,080
Miss E. M. Bradley	720
Miss M. Brooks	900
Miss J. Chouinard	900
Mrs. V. A. Daze	780
Mrs. H. P. Hobbs	780
Mrs. F. F. Cohen	600
Total	$95,200

4. No.

Note.—The answers to questions 1-4, above, relate only to the wartime prices and trade board. This is the only branch of the Department of Finance that employs publicity personnel.

PRAIRIE FARM ASSISTANCE—IRRIGATION DAM ON SOUTH SASKATCHEWAN RIVER

Mr. THATCHER:

1. Have P.F.R.A. officials located a suitable site, on which to locate a dam, for irrigation purposes on the South Saskatchewan river?
2. Are any surveyors, engineers, or other officials engaged at the present time on the South Saskatchewan irrigation project?
3. If so, how many?
4. Have any contracts been let, or tenders called in connection with the above project?

Mr. GARDINER:

1. No. Several sites are under investigation.

2. Yes.

3. Four survey parties and three drilling outfits.

4. No, except for exploratory test drilling.

NATIONAL FILM BOARD

Mr. DIEFENBAKER:

1. How many employees are there in the National Film Board (a) in Canada; (b) outside of Canada?
2. (a) How many offices are there in the United States; (b) how many employees are there in each of said offices; (c) when were said offices established, and for what reason?

Mr. CLAXTON:

The information asked for is as follows:

1. (a) 731 as of April 30, 1946; (b) 20 as of April 30, 1946.

2. (a) Three; in New York, Washington and Chicago.

(b) Number of employees in New York—3 as of April 30, 1946; number of employees in Washington—3 as of April 30, 1946; number of employees in Chicago—2 as of April 30, 1946.

(c) The New York office was established on May 23, 1943, for the purpose of facilitating the commercial and noncommercial distribution of films with film companies, distribution agencies and government information services having headquarters in New York and also assisting in producing films.

The Washington office was established in April, 1943, with a view to assisting the Canadian embassy in its information work, to furthering co-operation in film matters between departments of the Canadian and United States governments and to represent the board in its relations with the headquarters of national organizations interested in the use of film.

The Chicago office was established on January 1, 1943, to develop non-theatrical distribution throughout the United States and particularly to encourage the use of Canadian films by educational film organizations with headquarters in Chicago and the middle west.

[Mr. Mayhew.]

All these offices have assisted in the exhibition and production of films in connection with international conferences.

Mr. WINKLER:

1. Did the National Film Board within the past five years secure and (or) distribute films depicting (a) collective farming in Russia; (b) collective health services in Russia?
2. If so, in what sections of Canada were these films shown?
3. Did the National Film Board cooperate with or assist any of the provincial adult education organizations in securing and (or) distributing films referred to as above? If so, in which provinces?

Mr. CLAXTON:

The information asked for is as follows:

1. (a) No, except for a short passage (1½ minutes) in one national film board film—"Inside Fighting Russia", which was produced in 1942 dealing with Russia's part in the war.

(b) No.

2. All sections.

3. There is no record of such cooperation.

QUESTION PASSED AS ORDER FOR RETURN

PRAIRIE FARM ASSISTANCE—INSPECTORS—BATTLE RIVER

Mr. HARKNESS:

1. What are the names of the Prairie Farm Assistance Act inspectors who operated in the Battle River, Alberta, riding in 1945?
2. How many reports were made by each?
3. What was the salary and expenses paid to each?
4. How many inspectors have been working in this constituency during 1946?

LABOUR CONDITIONS

SEAMEN'S STRIKE—DISRUPTION OF TRAFFIC ON INLAND WATERWAYS

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I should like to repeat a question I asked of the Acting Prime Minister yesterday respecting the tie-up of traffic on the great lakes, a question which in his absence was answered, or at least to which a reply was given by the Minister of Labour, who indicated that he was meeting the operators yesterday afternoon. I am wondering if the minister could give us any information as a result of that meeting.

Hon. HUMPHREY MITCHELL (Minister of Labour): I met the operators yesterday afternoon, and am meeting the seamen immediately after the orders of the day are through to-day. My hon. friend came from Winnipeg; I think he has knowledge of industrial disputes and how they can be settled, and he knows that sometimes they take time.

REFERENCE TO REPORTED REMARKS OF MR. IAN MACLAREN

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): On June 4, I asked the Minister of Reconstruction and Supply a question in regard to a statement made by Mr. Ian MacLaren to the effect that we would have widespread unemployment because of the coal situation.

Some hon. MEMBERS: Order.

Mr. ROSS (St. Paul's): All right; you can call "order" if you wish, but I think it is a pretty serious thing if the deputy coal controller says we are to have widespread unemployment because of a shortage of coal.

Mr. SPEAKER: Order. According to the rules the hon. gentleman may not make a statement on the orders of the day. If he wishes to put a question he may do so.

Mr. ROSS (St. Paul's): Very well, Mr. Speaker. The minister is not in his place, but perhaps the parliamentary assistant can tell us something about it. My question is, what are we going to do to prevent widespread unemployment in this country?

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): Mr. Speaker, the minister has made two statements on the subject of the coal shortage. Apparently they were not noted by the hon. gentleman, though I can turn up the references quite easily. He has answered the hon. member's question on June 4 arising out of the statement of the deputy coal controller. As to the other part of the hon. gentleman's question, I suggest the answer is to keep this government in power.

Mr. ROSS (St. Paul's): May I ask a supplementary question?

Some hon. MEMBERS: Order.

Mr. ROSS (St. Paul's): The parliamentary assistant asked me a question, so I should like to ask, how long is this government going to be in power?

EXPORT OF TRUCK SPRINGS TO DETROIT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): May I ask a question based upon a telegram I just received? I am informed that steel truck springs are being exported from Canada by War Assets corporation and Ontario Steel Products to Detroit Steel Products, where a strike is in progress; and in this telegram the charge is made that this is being done in order to break that strike. In view of the shortage of steel required in this country for automotive and farm equipment, would the minister look into the matter and report to-morrow?

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): We had no notice of the question, and I cannot answer it at the moment, but we can get the information to-morrow.

Mr. COLDWELL: I received the telegram only just now.

LUMBER INDUSTRY—STRIKE IN BRITISH COLUMBIA

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Is the Minister of Labour in a position to state whether both parties to the dispute in the lumber industry of British Columbia have accepted the report of Chief Justice Sloan?

Hon. HUMPHREY MITCHELL (Minister of Labour): The operators have accepted it, and the union have turned it down.

FRUIT

BRITISH COLUMBIA BERRY CROP—THREAT OF WASTAGE THROUGH LACK OF CONTAINERS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I should like to direct a question to the government. I do not know which department it comes under so I have given notice to three ministers. My first question is, what steps are being taken to save thousands of tons of berries worth over a million dollars now under contract to the United Kingdom from being lost, owing to the lack of barrels and containers? The second question—and these are straight questions—is, will the government grant an immediate export permit for five hundred tons of raspberries to the United States—

Mr. SPEAKER: Order. I would suggest that the hon. gentleman put his question on the order paper.

Mr. CRUICKSHANK: I am sorry, Mr. Speaker; I could not hear what you said.

Mr. SPEAKER: I suggested that the hon. gentleman put his question on the order paper, as it appears to be quite lengthy.

Mr. CRUICKSHANK: These berries are rotting on the ground to-day. If that is not urgent I do not know what is. May I ask my question?

Mr. SPEAKER: If the hon. gentleman insists on asking his question I suggest that he be brief and to the point, as required by the rules of the house.

Mr. CRUICKSHANK: I am getting advice from all around here, but I am asking a question which is very important to British Columbia. The second part of the question is, will the government grant an immediate export permit for five hundred tons of raspberries to the United States, barrels and containers for which will be supplied by the United States purchasers, thus permitting raspberry barrels on hand to be used for the present emergency in the marketing of strawberries? That is a straight question, and it is a vital one for the people of Canada.

Hon. J. G. GARDINER (Minister of Agriculture): The first part of the question has to do with a contract which has been negotiated by the special products board of the Department of Agriculture with the United Kingdom. On two or three occasions we have made inquiries when these matters were under discussion.

The information we have is that if the harvesting of the berries proceeds in an ordinary manner, and if other conditions exist which do not result in great quantities being available for shipment at an unusual time, there are sufficient barrels and containers to take care of the situation. We cannot go very far beyond that at the present time, not knowing exactly what the crop is going to be, and not knowing exactly how berries are going to be marketed. If they are marketed according to the usual practice, then there are containers to take care of them so far as these contracts are concerned. But the other question has to do, indirectly, with the same matter, namely whether berries can be marketed somewhere else.

Mr. MacINNIS: That is not a very fruitful answer.

FOOD WASTAGE THROUGH LACK OF CONTAINERS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I ask leave to move the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely, the immediate threat of wastage of the current crop of small fruits, tree fruits, vegetables, butter and egg production and the fish pack in the province of British Columbia, because of the lack of necessary wooden or wood product containers.

Mr. SPEAKER: The hon. member's motion is out of order. He should have put his motion before the house before the orders of the day were entered upon. If he will read standing order 31 he will see the following:

31. (1) Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order 15) has been concluded and before notices of motions or orders of the day are entered upon.

Mr. CRUICKSHANK: Are the orders of the day called?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. SPEAKER: The motion of the hon. member is out of order.

Mr. MAYHEW: Mr. Speaker, yesterday the hon. member for Dufferin-Simcoe asked the Acting Minister of Finance—

Mr. CRUICKSHANK: On a point of order; I am appealing the ruling.

Mr. SPEAKER: I would call the attention of the hon. member to the fact that I declared his motion out of order. After I did so, he resumed his seat, and before five members had risen I gave the floor to the hon. member for Victoria, B.C., who proceeded to reply to a question which had been asked. I understand many members rose, but the hon. member did not then have the floor.

Mr. CRUICKSHANK: I did not have an opportunity. I appealed Your Honour's ruling.

Mr. SPEAKER: The hon. member did not say he was appealing my ruling.

Mr. CRUICKSHANK: Oh, I did.

An hon. MEMBER: Do it now.

Mr. CRUICKSHANK: I appeal Your Honour's ruling. My colleagues stood, about twenty of them. I appeal Your Honour's ruling.

Mr. MACKENZIE: The rule is clear. At a certain time any hon. member has the opportunity of moving the adjournment of the house, but that opportunity was not taken advantage of on this occasion. Moreover, according to a previous decision in 1932—I am sorry I have not the decision before me at the moment—there is no appeal from Mr. Speaker's ruling in this regard.

Mr. CRUICKSHANK: I am appealing your ruling.

Mr. MACKENZIE: There is no appeal.

Mr. CRUICKSHANK: Oh, Mr. Speaker is in control of the house; I am appealing his ruling.

Mr. BRACKEN: May I make a brief comment on the point of order? The hon. member for Fraser Valley has moved the adjournment of the house to permit the discussion of an urgent problem facing his community, and Your Honour has ruled that at this point it is out of order. The same decision has been made on similar occasions previously, and supported by the house. I should like to make the observation that immediately before the orders of the day are called, the motion would be in order.

Mr. ILSLEY: That is right.

Mr. BRACKEN: We have not yet come to the orders of the day. But immediately prior to that—

Mr. MACKENZIE: Yes, we have.

Mr. BRACKEN: Prior to that it may be moved.

Mr. ILSLEY: I suppose it is purely by indulgence of the house that I speak to the point of order. However, there seems to be a feeling among hon. members that the ruling is wrong, or that it is not justified. May I point out that this same ruling has been made time and time again. The standing order states:

> Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order No. 15) has been concluded and before notices of motions or orders of the day are entered upon.

And if one refers to standing order 15 he finds out what is meant by "the ordinary daily routine of business". One finds this:

> The ordinary daily routine of business in the house shall be as follows: Presenting reports by standing and select committees; motions; introduction of bills; first readings of senate bills.

The ruling has been made repeatedly in the house, as it has been to-day, that the motion must be made after the ordinary daily routine of business, as defined in standing order 15, is concluded.

Mr. CRUICKSHANK: I will move it to-morrow.

TAXATION

On the orders of the day:

Mr. F. D. SHAW (Red Deer): Mr. Speaker, I should like to ask a question of the Minister of Finance. In view of the fact that the budget is in course of preparation, would the minister kindly accept and give consideration to twenty-two telegrams directed to him by farmers in my area having to do with the adverse effects of the present taxation policy upon farm production?

Right Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, I am receiving about four hundred suggestions each day with regard to the budget. I shall be very glad to add those to the list.

MEAT

REMOVAL OF PRICE CEILINGS FROM RED AND BLUE BRAND BEEF

On the orders of the day:

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, if I may now proceed with the answer I began somewhat earlier, I would say that yesterday the hon. member for Dufferin-Simcoe (Mr. Rowe) asked the minister if it was true that the recent order removing the price ceiling from red and blue brand beef applies only to government-inspected beef shipped from abattoirs. Then he asked, whether if it was true that the order applied only to government-inspected beef, whether the government would take into consideration making the same provision in respect of prime carcasses of beef produced from other sources. The answer to the first question is yes, at wholesale levels only. The second question is answered by the first.

I think it would be well at this time to place on *Hansard* the press release of May 26, 1946, from the wartime prices and trade board, which states:

> In an effort to facilitate the movement of cattle and provide a better beef supply during the present seasonal shortage, price ceilings at wholesale on beef carcasses grading "red" brand or "blue" brand according to government standards will be temporarily suspended from May 27 until July 20, wartime prices and trade board announced to-day.
>
> The retail price ceiling on both these grades and on all other qualities will remain at the present level and no higher prices will be paid by the consumer. Present pricing regulations governing retail prices of commercial quality beef will apply to all sales at retail of blue brand beef. Ceiling prices at both wholesale and retail of all grades and qualities other than the two mentioned above will remain unchanged.

REDISTRIBUTION

AMENDMENT TO BRITISH NORTH AMERICA ACT AS TO RULES FOR READJUSTMENT OF REPRESENTATION

The house resumed, from Tuesday, May 28, consideration of the motion of Mr. St. Laurent for an address to His Majesty the King praying that a measure be laid before

the parliament of the United Kingdom to effect an amendment to the British North America Act with respect to readjustment of the representation in the House of Commons.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I shall not read the resolution, because it is before you. There are great and vital issues facing this country to-day which require solution by parliament. There are questions having to do with the burden of taxation, with food, with housing, and with labour which may very well not be considered at this session of parliament because of numerous other matters that are being brought before parliament at this time.

In 1943 the Minister of Justice (Mr. St. Laurent) said that the debate might very well give rise to differences of opinion that might cause serious divisions in this country. If that is so, the debate will be a long one. Many Canadians believe there is no reason for adding to the membership of the House of Commons at a time when expenditures should be decreasing rather than increasing. Opinion is widespread in this country that since we have now waited for several years for redistribution the matter might well be postponed until 1952, because it will have to be considered again in that year. I do not intend this afternoon to deal with these phases of the matter.

May I at the outset say a word on behalf of the prairie provinces. In 1943 when the Minister of Justice brought before the house a resolution for an address to amend the British North America Act, he pointed out, as reported on page 4337 of *Hansard* of July 5 of that year:

> It is argued on behalf of Manitoba and Saskatchewan that some of their population has been drained away as an effect of enlistments in the armed forces and of a drift from certain portions of those provinces to war plants in Ontario and Quebec or British Columbia. As to the men who enlisted, though efforts were made in taking the census to credit all these men to their own respective provinces, it undoubtedly did happen that some of them had changed their homes since enlistment, and there is no doubt that a great many had changed their homes to go to war plants in other centres. It can be argued that these provinces should not be penalized because of these facts, but to make a redistribution at this time and not to make it along the lines above indicated would require an amendment to the constitution.

The Minister of Justice stated also in 1943 that—

> The effect of employment in the production of munitions of war was to remove large numbers of the population from their homes to reside temporarily in other parts of Canada. If it was unfair in 1943, as it was, is it not equally unfair to-day? A census is now being taken in the western provinces, and it may show a return to those provinces of residents who left for war services in other parts of Canada; yet the redistribution is to be based upon the census of 1941, which the Minister of Justice said in 1943 would be an unfair basis.

[Mr. Mayhew.]

Let me point out that between 1931 and 1941, having regard to the natural increases in population, Manitoba lost 48,478 persons; Saskatchewan, 157,545 and Alberta, 41,841. If the 1946 census establishes that that population has returned, those provinces would be entitled to the representation they would have had had the people not left. They would therefore be penalized by this measure.

It is not with this phase of the matter, however, that I intend to deal particularly on this occasion; it is rather with the broader aspects of the constitutional issue involved in the amendment to the British North America Act as contemplated by the resolution now before the house. It has a much broader significance then the mere matter of redistribution. But I wish to deal this afternoon not with the fairness or unfairness of the provisions of the resolution or the desirability of achieving a greater measure of representation by population, but rather with the method employed by the government to secure an amendment to the British North America Act.

One of the most consequential provisions of this resolution is the proposal to amend section 51 without consultation with the provinces which will be affected.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: Duplessis.

Mr. DIEFENBAKER: I appreciate the attitude of my hon. friends. When they speak I am courteous enough not to interrupt, and I ask them for the same consideration unless there are questions that they wish to ask.

The material subsections of section 51 of the British North America Act are as follows:

> (1) Quebec shall have the fixed number of sixty-five members;
>
> (2) There shall be assigned to each of the other provinces such a number of members as will bear the same proportion to the number of its population (ascertained at such census) as the number sixty-five bears to the number of the population of Quebec (so ascertained).
>
> (4) On any such readjustment the number of members for a province shall not be reduced unless the proportion which the number of the population of the province bore to the number of the aggregate population of Canada at the then last preceding readjustment of the number of members for the province is ascertained at the then latest census to be diminished by one-twentieth—

Those subsections were the essence of the basis upon which the provinces entered confederation. If they are to be repealed—and they will be, because the imperial parliament will accept the recommendation of this parliament—then a different basis of representation will be established than was contemplated either by the Canadian delegates in London in 1866, or earlier at Quebec. I read the pertinent sections of the resolutions passed at the city of Quebec on the 10th of October, 1864, as the basis—as the report itself says—of a proposed confederation. Section 20 says:

For the purpose of such readjustments—

That is, readjustments after succeeding censuses:

—Lower Canada shall always be assigned sixty-five members.

That was the basis upon which the provinces of Canada, Nova Scotia and New Brunswick entered confederation.

For the purpose of such readjustment, Lower Canada shall always be assigned sixty-five members, and each of the other sections shall at each readjustment receive, for the ten years then next succeeding, the number of members to which it will be entitled on the same ratio of representation to population as Lower Canada will enjoy according to the census last taken by having sixty-five members.

Then of the essence of confederation was this section, No. 21:

No reduction shall be made in the number of members returned by any section, unless its population shall have decreased relatively to the population of the whole union, to the extent of five per centum.

That five per centum was changed in the British North America Act to one-twentieth. Later, on the 4th of December, 1866, there was a conference in London of delegates from the provinces of Upper and Lower Canada and Nova Scotia and New Brunswick. They made some changes in the resolutions passed at the city of Quebec, but while they made certain alterations they stood firm on those two sections, renumbered 21 and 22, which read as follows:

20. For the purpose of such readjustments, Lower Canada shall always be assigned sixty-five members, and each of the other sections shall at each readjustment receive, for the ten years then next succeeding, the number of members to which it will be entitled on the same ratio of representation to population as Lower Canada will enjoy according to the census last taken by having sixty-five members.

21. No reduction shall be made in the number of members returned by any section, unless its population shall have decreased relatively to the population of the whole union, to the extent of five per centum.

It is significant to note that it was on the basis of the Quebec resolutions and on the basis of the resolutions passed in the city of London that the foundation stones were laid and the requisites for confederation established.

I am not going to enter into a discussion to-day, interesting though it might be, of the question whether the British North America Act is a pact, a treaty, a statute or a contract. There is a division of opinion on that. Professor Kennedy, of the university of Toronto, and others, take the stand that we should get away from the idea that it is a contract or treaty. They say it is not so, either in history or in law. Doctor Maurice Ollivier, a law officer of the crown, in an outstanding book entitled "Problems of Canadian Sovereignty" refers to the evidence of the Clerk of this house, Doctor Beauchesne, who before a committee of this house strenuously denied that the British North America Act was a contract. He pointed out, at page 360, after referring to a discussion that took place in the committee set up by parliament in 1935 to discuss the question of amendments to the British North America Act:

From the preceding dialogue it is easy to understand the danger in which the province of Quebec stands if it lacks the right to take part in deliberations on the subject of our constitution. If the British North America Act ought to be amended, it is better that this be done with the consent of the province and that it take its part of the responsibility rather than that it should see the changes made without its knowledge.

That statement, I respectfully suggest, applies to all the other original parties to confederation, and to the provinces that have entered since. Other outstanding leaders have taken the point that the British North America Act is a contract. The Hon. G. Howard Ferguson, when premier of Ontario, wrote a letter to Mr. Bennett on September 20, 1930—I am not going to quote the whole of it; it is set out in detail in Dawson's "Constitutional Issues in Canada"—in which he said in part:

The province of Ontario holds strongly to the view that the agreement should not be altered without the consent of the parties to it.

And he attached a memorandum in which it was submitted that the rights of the various provinces to equal voice concerning any contemplated changes in the law or the convention of the constitution of the dominion rest upon fundamental considerations and historic facts which are as binding to-day as ever they were upon all the parties to confederation.

There are others who maintained that the British North America Act is in the nature of a treaty. Sir John A. Macdonald took that

view, Sir George Etienne Cartier took that view, and Sir Robert Borden took that view; for on February 10, 1914, when the question of redistribution was before the House of Commons, he used these words, at page 612 of *Hansard:*

> The terms which were then fixed between the four original provinces undoubtedly constituted a compact between those provinces, and up to the present time they have, of course, been carried out according to the true intent and meaning of the statute.

Let me give some references to the statements regarding amendments to the constitution made by outstanding leaders right down to 1935. I might refer to Cartier, Blake, Laurier, Borden, Meighen; and what the Right Hon. Ernest Lapointe, who was a constitutional authority, said on more than one accasion in this house about the dangers of serious amendments to the British North America Act without consultation with the provinces.

I refer first to what Sir Robert Borden said in 1914 as to the desirability of an address being submitted to the parliament of Great Britain to assure that the maritime provinces should at no time in the future have a lower representation in the House of Commons than in the Senate. This is what he says:

> Speaking for myself, I do not see how it would be possible for this parliament to attempt any alteration in the representation of the provinces without the consent of the provinces themselves. It was in that connection that the question was taken up before the Interprovincial Conference held last autumn in the city of Ottawa, and the result of the proceedings of that conference amounted to this, that the conference declined to take any action on the subject, saying that the matter was one for consideration of parliament.

Apparently the provinces agreed on the fairness of the terms of the amendment in 1915, because there was no objection taken. I repeat that Sir Robert Borden contended that there can be no alteration of the basis of confederation as to representation unless it is made with the consent of the provinces.

I pass on to what Mr. Meighen said on February 19, 1925. I quote from *Hansard,* page 335 of the debates of that year:

> Undoubtedly, the pact of confederation is a contract and there are rights involved therein not represented by the parliament of Canada. We could not put ourselves in the position of asking that rights so secured should be disturbed on our motion alone. The speech of the Minister of Justice determines, I think, without power of dispute, that there should never be suggestion of amendment affecting other parties to the contract save after conference and consent of those other parties.

I will now read, for the benefit of hon. members who interrupted a moment ago, what was said by Sir Wilfrid Laurier. Throughout the years he stood in the House of Commons as the representative of the rights of the people, as the champion of the constitutional privileges of minorities in this country, and as one who raised the standard of public life as few others have done. What did he say in 1906-7? He was followed by Sir Robert Borden, whose words, as quoted in *Hansard* of that session, page 2199, are these:

> I agree with what has been said by the right hon. gentleman regarding the undesirability of lightly amending the terms of our constitution and am inclined to agree with him on the necessity of some consultation with the provinces, although of course all the provinces are represented here.

I pause to refer to what the Minister of Justice (Mr. St. Laurent) said the other day, because Sir Robert Borden answered him in the succeeding words. The Minister of Justice said on May 28 last, as reported in *Hansard,* page 1936:

> The provinces, that is to say the people of the provinces, are all represented in this parliament, and for the purposes of such matters as are confided to the jurisdiction of this parliament it is by those representatives here that the people of the provinces speak.

Well, I give you not my opinion but that of a great constitutional lawyer, one time prime minister of Canada, Sir Robert Borden. He said this—*Hansard,* 1907, volume 2, page 2200:

> But inasmuch as this is a federal compact which we are asked to vary, it is only right that each province should be consulted and its decision given, in the right of its separate entity.

This answers the argument that because in the House of Commons there are representatives from the different provinces, the provinces who entered into the pact, and their successors, should not be consulted in regard to any constitutional change in the basis of confederation.

No one can say that Right Hon. Ernest Lapointe would be a prejudiced witness. I quote from what he said in the House of Commons on February 18, 1925—*Hansard,* page 297:

> If confederation was a pact, an agreement, is it possible for one of the parties to the agreement, or rather for the body which resulted from the agreement, to amend, to alter the conditions of that pact without consulting and without securing the consent of the parties to the original agreement?

He does not restrict the consent of the provinces to matters coming within sections 91 and 92 and possibly 93, but covers the entire ambit of the act. Further on he says:

> As regards the United States as well as Australia, New Zealand and South Africa, they all agreed at the time of the enactment of the statute creating their constitution that they would have the right to alter it. They possess

that right because it was made one of the conditions of the statute constituting them a state. Not so with Canada, because there were special conditions and difficulties in the way. I ask my hon. friend this question. Confederation was achieved and the new parliament was opened in 1867. Does he believe that two years afterwards, in 1869, for instance, this parliament could have fairly and reasonably amended the British North America Act or have asked the Imperial parliament to amend it without the consent of the four original provinces?

I ask the Minister of Justice, when he speaks, to answer that question. Does he answer it in the affirmative? Mr. Lapointe goes on:

Could he fairly say that that could have been done two years after the opening of this parliament? If it could not be done at that time, could it be done twenty-five years afterwards, or even fifty years afterwards, without the consent of the contracting parties in the pact of confederation?

Then he comes to the conclusion that we cannot ask power to alter, without the consent of the provinces, a constitution which is theirs as well as ours. That was the stand which he consistently took. Later, on March 20, 1924, as reported in *Hansard* of that year, page 520—I do not want to tire the house, but I want to trace this matter through because it shows the attitude taken by the great leaders since confederation—he said this:

It is a treaty between various colonies which entered into an agreement. They fixed what the powers of the central parliament should be, and they also fixed what the powers of the various provinces which succeeded the colonies of that time would be, and this was ratified and accepted by the Imperial parliament of the time. Everything we have or have not is because we wanted it so. Now this treaty cannot be changed, it has been the contention of many constitutional authorities, and I think it is only fair that no change should be accepted, without the consent of all those who were parties to it. It is a sacred treaty just as is any other treaty; it is no "scrap of paper".

All through Mr. Lapointe's life his view was that if the rights of minorities were to be protected against an overwhelming majority in this house and in the senate, there could be no change of the pact of confederation without consultation with and the consent of the provinces. In that view he was not alone. I am not going to read the next quotation I have here, but I shall give the page. Mr. Lapointe said the same thing on February 18, 1925, and he was supported by a minister who a few short months ago sat where the Minister of Justice now sits. He was supported by a statesman, wise in experience and in years of public service, Mr. Crerar, who on February 19, 1925, said, as reported at page 318 of *Hansard*:

My hon. friend the Minister of Justice yesterday argued that confederation was in the nature of a treaty, and I agree with him in that assertion. That being the case, his suggestion that the matter be approached through the avenue of a conference with all the provinces is the first step that should be taken in dealing with it.

Further on he said:

I can quite appreciate the anxiety, or, shall I say even the fear, that my hon. friends from the province of Quebec may entertain as to the position which that province would be in in respect of the peculiar rights it enjoys under the constitution to-day, were we placed in the situation in this country where the constitution could be amended by the ordinary means of majority rule.

Sir, how times do change! In 1920 the Prime Minister of Canada brought up the question of the amendment of the British North America Act, and on March 16 he said, as reported at page 469 of *Hansard*:

The government should consider the advisability of an address being presented to His Majesty to have powers given to the parliament of Canada, subject to the concurrence of the several provinces of the dominion, to amend the constitution of Canada . . .

I point out that the Prime Minister, who was then leader of the opposition, said this:

. . . in such particulars as may be agreed upon as a result of conference between the provincial and federal authorities and approved by this parliament and the lgislatures of the different provinces.

In that, sir, the Prime Minister went somewhat farther than any other leader has gone. A while ago there was an interruption to the effect that I was taking a sectional stand, one which was unfair, or unjustified, ingenious, or something of the kind. But this is not the first time a question has arisen with regard to section 51, subsection 4, and the desirability or otherwise of changing the basis of representation by virtue of which Quebec receives sixty-five members. It has been discussed on a number of occasions. Again I must refer to the views expressed by Right Hon. Mr. Lapointe, in 1932, in which he gave a better answer than I can give to the resolution now before the house. He recognized that the provinces should be consulted. He condemned any other method, which would have the effect of changing the basis of confederation. Right Hon. Mr. Bennett, now Viscount Bennett, accepted the view expressed by Mr. Lapointe against amending section 51 before the calling of an interprovincial conference. Mr. Bennett said that the conference was being called in view of labour conditions in the dominion and that the time then was not opportune. The very stand we take to-day was the stand taken by Mr. Lapointe in 1932, at pages 1592 and 1593 of *Hansard*. This is

what Mr. Lapointe said in reply to the suggestions now made by the Minister of Justice, in this resolution:

I have tried to find in the debates on confederation and elsewhere the reason for the exception in subsection 4 of section 51, but have been unable to do so.

As a matter of fact no one seems to know why that section was placed in either the Quebec conference articles or the London conference articles. During one of the debates Mr. Bennett said that he had tried to ascertain the reason for it, and the only conclusion to which he could come was that it was meant to protect the representation of some of the maritime provinces, although there was no evidence to support that view. After reading the subsection he said:

Why this provision? I cannot find why it appears; I should be pleased if some one could give me a reason. Perhaps it was inserted to help some of the smaller provinces, but when it works the way we see it will work this year, certainly it is an anomaly which works unfairly. I am sure hon. members from Ontario want only representation by population.

An hon. MEMBER: Hear, hear.

Mr. DIEFENBAKER: Yes; that is what Mr. Lapointe said, but he gave warning of the dangers which would follow the course which is being followed here. He knew the difficulties, he knew the unfairness, and he pointed them out. I shall quote his words, in order to place the record fairly before the house. He said:

Before confederation they fought for it, and that should be the principle governing that province. What amazes me is that this same principle is not working the other way. Why should not the representation decrease when its proportion of population with regard to the whole of Canada has not decreased by one-twentieth? Why should it increase if the number is increased by less than one-twentieth? As it is, any other province which would come under the same conditions keeps its representation, not on account of its own increase, but because of decreases in other parts of Canada,—and not of Quebec, which is taken as the pivot.

He mentions the same difficulties as were referred to by the Minister of Justice the other day in what I think was a masterful address. Mr. Lapointe saw the difficulties in 1938, but he also saw something else, the dangers. I continue with what he said:

A suggestion was made that in order to equalize with Ontario, the number of representatives from Quebec should be increased. I do not think that would be a fair way of settling it. I believe the representation of Quebec should remain at sixty-five, as fixed by the British North America Act, but that subsection 4 of section 51 should disapper. Then we would have a real representation by population.

[Mr. Diefenbaker.]

With that point of view is there disagreement? How, then, are we to change it? This is where Mr. Lapointe, with his farseeing vision, portrayed the situation, realizing as he did that representation by population was not being achieved under that section.

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

Mr. DIEFENBAKER: Yes.

Mr. MAYBANK: Suppose the method which has just been suggested were followed, with which the hon. gentleman says he is in agreement, what would be the effect of it? Has the hon. gentleman worked out those figures?

Mr. DIEFENBAKER: These figures were given by the Minister of Justice. A perusal of *Hansard* by my hon. friend will give him the information he is asking for.

Mr. MAYBANK: Thank you.

Mr. DIEFENBAKER: I continue with Mr. Lapointe's remarks:

The right hon. gentleman opposite has stated that before parliament meets again at the end of January there will be an interprovincial conference. There are certain changes in our constitution, and with regard to taxation, which seem desirable. I submit the Prime Minister should place this matter before the premiers from the various provinces. If that were done I believe they would come to the conclusion that subsection 4, which certainly works unfairly, ought to be repealed.

Mr. BRIDGES: Will the hon. member permit a question? I do not interrupt often, and I assure him I will not do it again. Is it the hon. member's contention that no amendment to any section of the British North America Act can or should be made without the unanimous consent of all the nine provinces?

Mr. DIEFENBAKER: Apparently the minister has not been following the argument I have been advancing. I have been quoting the views expressed by his hon. friends, and after I establish that a departure in constitutional practice is being made in the resolution now before this house I will come to the situation he has in mind. Looking ahead a few years, this may well be a measure as a result of which the rights of minorities subjected to a majority in parliament will be destroyed. What did Mr. Lapointe say? He said the matter should be submitted to the provinces. He took that stand in 1932, and gave his successor in 1946 the answer as to the method to be adopted in order to secure fairness in representation. Not only did Hon. Mr. Crerar take that view, but Hon. J. L. Ralston took the same stand—and possibly this will

answer the Minister of Fisheries. Speaking in this house on November 25, 1932, at page 1594, Mr. Ralston said:

I submit, Mr. Speaker, although it cannot be done in connection with this bill, that the suggestion of my hon. friend from Quebec East (Mr. Lapointe)—

That suggestion was a submission to the conference of provincial premiers.

—might well be accepted by the right hon. Prime Minister, the matter might be made a subject of discussion at the interprovincial conference, and in view of the fact that constantly during the last two or three sessions there has been forecast the possibility of amendments to the British North America Act, it seems to me this subject is one which might well engage the attention of those framing these amendments and discussing the subjects to be dealt with thereby.

Mr. Lapointe's view was the view of Mr. Ralston. It was the view of Mr. Crerar too.

Now, I have cleared away the situation as I see it by bringing before the house the views expressed by outstanding statesmen, and I could multiply those expressions almost without number. I have not referred to similar statements made by Sir John A. Macdonald, Cartier, Blake, Sir Allen Aylesworth, Mr. McCarthy, former ambassador to the United States. All the way down the line minister of justice after minister has taken this view.

I suggest that a mere reading of *Hansard* will show that whether you regard the British North America Act as a contract, a statute, a treaty, or a pact, without exception—I repeat, without exception—outstanding leaders since confederation have agreed that no material alteration may be made without consultation with the provinces. I submit that what is proposed is a material alteration of a provision which was founded on the Quebec conference, reiterated at the London conference, and made part and parcel of the British North America Act. It was so viewed by Mr. Lapointe and by all the other leaders up to that time. As I have already said, section 51 was born in the deliberations of the Quebec conference, and it was confirmed at the London conference, which did not adopt all the recommendations of the Quebec conference. One of the recommendations of the Quebec conference was that the provinces should look after the redistribution and the determination of the boundaries of the constituencies. Section 51, by the very circumstances connected with it, ratified as it was by all our leaders since confederation, is of the essence of the contract, pact, treaty, or call it what you will, of confederation. I warn this house and the country that if parliament passes a resolution for an address changing a basic section of the British North America Act without consultation with the provinces, it is doing what the leaders of the past up to and including Mr. Lapointe said could not be done without consultation with the provinces, namely, changing the basis of representation of any province.

For the moment the membership from the maritime provinces will not be decreased; but if that pouplation, in relation to the whole population, decreases what is to prevent some future parliament, without consulting Prince Edward Island, Nova Scotia or New Brunswick, from passing an amendment removing the present limitation that the membership of a province may not fall below its representation in the senate? As a matter of fact Mr. Woodsworth, the distinguished predecessor of the present leader of the C.C.F. party, stated at page 1592 of *Hansard* for November 25, 1932:

There cannot be two or three different classes of Canadians in this country, with certain classes having superior rights to others. If a mistake was made in giving a fixed number of representatives to Prince Edward Island there is no reason why we should follow a bad precedent. The way to get away from that is to amend the British North America Act so that Prince Edward Island would have only its due number and not a number out of proportion to the rest of the country.

In this extraordinary resolution, Mr. Speaker, a precedent is being asked for the amendment of the confederation agreement and its basis. Parliament is being asked to change one of the sections—not a section thirty-one years old, but one going back to confederation itself—upon which confederation was based. The Conservative party, and the Progressive Conservative party, since confederation has believed in change based upon experience; but it believes that the constitution is the bedrock of the rights of minorities and will resist changes in that constitution, without consultation with the provinces, under which the rights of the provinces will be affected or under which minorities may be affected. Parliament is being asked to pass an address which to-morrow will become a precedent which may be used to destroy the rights of minorities if in this house there should be a majority desiring to do so. This is an example of the dangers inherent in not requiring consultation with the provinces about amendments not directly concerned with the division of powers between the dominion and the provinces, which by the way are the only ones the Minister of Justice says cannot be amended without the consent of or consultation with the provinces. Under the procedure of amendment in the address section 133 and many

others might be repealed or altered by means of an address passed by a majority in parliament. This, sir, indicates the dangers inherent in this haphazard manner, this novel scheme which is now before the house, of amending the constitution.

The Minister of Justice has argued that the representation of the various provinces in the House of Commons is a matter exclusively for the federal authority, in that the provinces are represented here. Earlier I answered that argument with a quotation. He indicates, too, that the rights of the provinces are not interfered with. I answer that simply by saying that by increasing the membership of the house the relative influence of the provinces is altered. This resolution seems to comprehend merely an innocuous change in representation, but closer examination of its terms reveals the dangers with which the method to achieve it is fraught.

The minister endeavoured to make answer because, like all resourceful counsel, he anticipated the arguments which have been made. The resolution contains all the artifices of a political dodge. It dangles a bait designed to catch political favour, but destined if accepted to achieve a drastic change in and a dangerous departure from the very basis of confederation.

The change advocated may be designed with a view to securing equality of provinces, the foundation stone of confederation, and to achieve a greater measure of representation by population; but however desirable the objectives may be, the means taken to that end are in my opinion dangerous in the extreme.

Let us take one example. Suppose the communist party were to attain power in this country; parliament would be setting a precedent under which every section of the British North America Act but sections 91 and 92, and possibly 93, according to the interpretation placed thereon by the Minister of Justice could be changed by a simple majority vote. Some will say that that is an extreme case, but it is illustrative of how cautiously and carefully amendment should be considered. I do not hold out against constitutional changes, but I am unalterably opposed to constitutional changes being effected in the haphazard manner of this resolution.

No one can contend—I know some will say that we are opposed to amendments to the constitution—that the British North America Act should not be subject to amendment. Events and changes since confederation have shown the necessity for amendment. The dead hand of the past must not control the living present. But having regard to the events which culminated in confederation, and the arguments which were advanced—I have read and reread them—and having regard to the divisions of our country racially and geographically, the British North America Act should not be amended by any means in the nature of a subterfuge that will open the door to a denial of the rights of minorities by the decision of a majority in parliament.

I have referred to the historical background. I have referred to the dangers inherent in the resolution. Do I believe in change? Do I believe in necessity for reform? Has the government any monopoly on that? When the government convened a dominion-provincial conference, only financial matters were brought before it, and that at a time when the people of Canada were demanding national action, and when other amendments were asked for. Yet there was no consultation when consultation was available.

I could do no better than to quote the words of Mr. Lapointe when he said on February 18, 1925:

> Mr. Lapointe: . . . As I have said, I would not like to leave the impression that my own view is that no changes should be made at any time, or that no changes are possible. I agree that we are living in 1925, and not in 1865. The problems of Canada must be settled in the light of the present situation.
>
> Mr. MacLean (York): By the men of to-day.
>
> Mr. Lapointe: By the men of to-day, yes. I am not one of those who are riveted to the past and who are prepared to deny to our children the liberty of the future, but those changes the necessity for which may be seen as a result of our experience of sixty years cannot be made unless you proceed in a legal and constitutional way; they cannot be made arbitrarily.

I repeat those words in this year of grace 1946. Changes should be made in a legal way; changes should be made in a constitutional way; changes should not be made arbitrarily. Then Mr. Lapointe said:

> They cannot be made only at the will and at the request of the dominion parliament; but those who are just as much interested as the dominion parliament in this matter must have their say, must be consulted, and must give their assent.

In this he went as far as the Prime Minister went in 1920, in the quotation I placed before the house earlier.

The stream of freedom must be preserved. Our constitution is the custodian of freedom. Widespread invasions of that freedom have taken place, and we have seen this happen in recent years. This address, if passed by parliament, will undermine constitutional safeguards, and in doing so will drive the first wedge that may well lead to the destruction of the liberties of the minorities among our people.

Admitting that this section of the British North America Act may be amended by a majority of parliament, all that remain outside the sphere of this parliament, according to the Minister of Justice are those sections dealing with the division of power between the dominion and the provinces. I quote the words of Junius as to the operation of precedent:

One precedent creates another. They soon accumulate and constitute law. What yesterday was fact, to-day is doctrine.

I say to the house and to the country: look at this measure not for what it immediately achieves, but for the dangerous potentialities of any such precedent as this. The Prime Minister of Canada once said, as reported in *Hansard* of January 21, 1935:

We have looked upon the constitution of our country as the safeguard of its liberties and as the home of its freedom.

That is the test, I respectfully submit, parliament should apply to the resolution now before the house—the test of looking not at the advantages of the present to be achieved by this short-cut method of amendment of our constitution, but rather at the grave potentialities inherent in making a precedent for amendment of our constitution by a majority of parliament. The great danger of attractive measures such as this is that of the people and the people's representatives, by reason of the very attractiveness, giving up the substance for the shadow.

This party subscribes to the view expressed by Edmund Burke, in a speech on the reform of representation, when he said:

Our constitution is like our island, which uses and restrains its subject sea; in vain the waves roar. In that constitution, I know, and exultingly feel, both that I am free, and that I am not free dangerously to myself or to others.

Believing as I do in proper safeguards against tyrannical acts of majorities who would deny tolerance, and believing that these basic rights in the constitution should not be interfered with without consultation with the provinces, I move, seconded by the hon. member for Calgary West (Mr. Smith):

That the motion be amended by deleting the words: "A humble address be presented to His Majesty the King in the following words:" and substituting therefor:—

And whereas it is desirable that the government should consult with the several provinces in respect of the said matter.

Now therefore be it resolved that the government be required to consult at once the several provinces and upon satisfactory conclusion of such consultations be authorized to present an humble address to His Majesty in the following terms.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I rise to discuss this resolution, and the amendment thereto, not as a lawyer but simply as a layman and a member of parliament who seeks to do what is best for the country in which he lives.

I was interested to hear the hon. member for Lake Centre (Mr. Diefenbaker) quote Edmund Burke's reference to the British constitution. The glory of the British constitution is that it does not exist in the form in which we know constitutions, and that it is ever amenable to the will of the majority of the representatives of the people. Therefore I suggest to the hon. member that if this parliament decides that something should be done in the interests of all the people of Canada, and it is within its constitutional right to do so, the will of this parliament should prevail. From my reading of Canadian history, from all that I have read of former debates in the House of Commons, and in spite of all the quotations that have been placed before us this afternoon, I am of the opinion that this address to His Majesty is within the rights of this parliament.

Actions speak louder than words. Sometimes politicians shift their position according to the side of the house on which they happen to sit at a given moment. If we look back over the history of our country since confederation we find that important amendments have been made to the constitution. One in particular which upset the whole basis of representation was made in 1915. At that time a resolution was placed before the house by the Right Honourable Sir Robert Borden, Conservative prime minister of that day, which was much more explicit in its references to the British North America Act than anything contained in this proposal. That resolution was moved by Sir Robert Borden on June 11, 1914, one year before the house adopted it. Let us look at its terms. It read:

Resolved, that a humble address be presented to His Majesty praying that he may graciously be pleased to give his consent to submitting a measure to the parliament of the United Kingdom to amend certain provisions of the British North America Act, 1867, in the manner set forth in the draft bill hereto attached.

An act to amend the British North America Act, 1867.

Be it enacted by the King's Most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons, in this present parliament assembled, and by the authority of the same, as follows:

I would draw attention to what followed:

1. Notwithstanding anything in the British North America Act, 1867, or in any act amending the same, or in any order in council or terms or conditions of union made or approved under the said acts, or in any act of the parliament of Canada;

Then it went on to alter the whole basis of representation in the Senate. That was a much more fundamental change, because the Senate has always been regarded by the minority—I think they lean upon a broken reed—as having been established to protect the rights of minorities. The resolution proposed also to alter the proportionate representation of Quebec in the upper chamber. A new and fourth division of the dominion was agreed upon, and the western provinces were to be represented by twenty-four Senators instead of the number by which they were previously represented. This was done in 1915 under the leadership of a Conservative prime minister and may I pay tribute to Sir Robert Borden by saying that he was possibly one of the greatest constitutional lawyers who has ever sat in this house. This was done by and with the consent of all the parties in this house. Therefore I am amazed to see in 1946, thirty-one years later, an amendment moved in this house which would bring a new basis into confederation. We who represent the western parts of this country are extremely anxious to see that the representation in this parliament of the western provinces shall be adequate. I believe it is the intention of the government to try to give that representation at this time. On the basis of representation by population according to provinces I shall support the resolution.

My hon. friend spent a great deal of time trying to frighten the house with what might happen in the future if the communist party came to power. Let me tell my hon. friend that if the communist party comes to power—I do not believe it ever will—it will come to power with the approval of the majority of the people of Canada. If it comes to power, this parliament will disappear; there will be no constitution, and there will be no parliament. My hon. friend is setting up a straw man to knock down and to frighten old ladies of both sexes. I apologize to the hon. member for Qu'Appelle (Mrs. Strum), who does not fall within the category either of being old or of being frightened.

My hon. friend brought forward some arguments other than from the constitutional point of view. He said that we were making an increase when economy demands perhaps even a decrease in the membership of this house. Perhaps it would be stating more nearly what he said to say that there are some people in the country who advocate a decrease in the membership of this house. The most important institution in this country is parliament. To my mind representation in this parliament is the most important privilege that the people of Canada have. If representation is to be adequate and real, then the members of this house must keep in close touch with their constituents. A decrease in the membership of the house would mean an enlarging of the size of the constituencies in some parts of Canada, which would militate against the democratic procedures of which we approve. So that argument surely was unworthy of the speech, fine in many respects, which my hon. friend has just made. Certainly it is not in accord with the desires and the wishes of the people of the part of Canada from which we both come. Delay until the next census? My hon. friend has argued to-day that we have to stand by the constitution. The constitution requires that a redistribution shall be made after every ten-year period. Then he rises in this house and urges the government to delay in carrying out the provisions of the constitution for another few years.

Mr. DIEFENBAKER: On a question of privilege, Mr. Speaker, I never advocated such a thing. I said that there were those who said these things, but I was dealing with one particular thing. My hon. friend has placed words in my mouth that I never used.

Mr. COLDWELL: I am sorry if I misinterpreted my hon. friend but I think a good many members of this house must have found the same difficulty as I had in listening to him. I could not tell when he was reading quotations and when he was reading prepared parts of his speech. But if I have done him an injustice I regret it.

Mr. DIEFENBAKER: Speaking of reading speeches, you are doing it right now.

Mr. COLDWELL: I am not reading my speech. I was just referring to notes I made while my hon. friend was speaking.

Mr. SPEAKER: Order. I would remind all hon. members that they must address the chair.

Mr. COLDWELL: Mr. Speaker, I was referring to notes I made when my hon. friend was speaking.

It is true that there has been a serious loss of population in the western provinces and particularly in the provinces of Manitoba and Saskatchewan. In 1941 this house gave approval to deferring redistribution in the hope that when the war ended and people had returned from the armed services and from industry to their home constituencies our population might have been recovered. I do not know whether it has or not. There is a quinquennial census in the west this year and the question whether our population has decreased or increased may be settled by that enumeration. But in fairness to other mem-

bers of the house who agreed to deferring redistribution in 1943 I am not at this moment asking that another privilege of that kind be granted to western Canada. I believe that the proposal placed before the house by the government at the present time is fair, just, sound and constitutional.

The hon. member for Lake Centre has preached this afternoon what is in effect a new doctrine. In 1915 only one province, according to Doctor Skelton, took advantage of the privilege of appearing before the special parliamentary committee on amending the British North America Act, and his comments in the case of that amendment are as follows:

> Object: To increase the number of senators and alter the main senatorial divisions.
>
> Procedure: The procedure adopted was that the act was passed by the United Kingdom parliament following an address by the Senate and House of Commons of Canada. Prince Edward Island made representations before a House of Commons committee, which were not accepted. Other provinces were not consulted and made no representations. The suggestion was made in the House of Commons by Mr. O. Turgeon, now Senator Turgeon, that the provinces should be consulted, but it was not acted upon.

That is the position regarding the fundamental change which was made at that time.

I shall not attempt to answer the legal arguments of hy hon. friend. I am not a lawyer and I leave it to the Minister of Justice (Mr. St. Laurent) and other lawyers in the house to deal with the legal aspects of this question. But the thing that presents itself to me is this. Is Canada a nation? Or is Canada merely a collection of individual provinces, each one willing to go its own way? That is the question which occurs to me. Is Canada to be another Balkan peninsula of warring states, or are we to build this great country into a nation? I say that arguments, constitutional or otherwise, such as we have heard this afternoon serve no useful purpose in promoting national unity in this country. Of course they undoubtedly reflect the point of view of certain sectional interests. It is not an unknown phenomenon for my ultra-imperialist friends of the Progressive Conservative party to be in secret alliance with sectional interests in one of the great provinces.

Mr. FULTON: Where are the frightened old women now?

Mr. COLDWELL: I am not frightened. I say the same thing in Ontario and Quebec and all over.

Mr. DIEFENBAKER: That will be a new experience.

Mr. COLDWELL: My hon. friend says, "That will be a new experience." I say the same thing in all parts of Canada. Perhaps my hon. friend does not know that I have been followed by the same newspaper men right across Canada who found that I said the same things everywhere. I do not refuse to call this country Canada in this house and then, within a week, speak of the kingdom of Canada in the province of Quebec. So I say it is not a strange phenomenon because the same thing has been observed in the past.

If my hon. friend's argument of this afternoon were accepted it would result in the two provinces of Manitoba and Saskatchewan losing seven seats after the next election.

Mr. DIEFENBAKER: Not at all.

Mr. COLDWELL: Seven seats after the next election, because I am convinced of this, that it would be difficult indeed to get certain provincial premiers to agree to this proposal. Premier Drew of Ontario sees that Ontario now has—what is it?—seven or eight seats more than she is entitled to according to population. I give that just as an example. There might be other premiers who feel the same way about the matter. But in my opinion, to do justice to the western provinces, representation by population is the only basis upon which justice can be done.

We are told that we run the danger of the rights of minorities being lost. Is there a right of any minority involved in the resolution that is before the house? I would say there is, and that is the right of the minority to have adequate representation in this house as against the majority and against overrepresentation by one province.

My hon. friend quoted from a former leader of this movement, the late Mr. J. S. Woodsworth. I took down the page number he gave, but I am afraid he made an error in the number, or maybe I did not hear him correctly. The page which I think he gave was 1592 of *Hansard* for 1935. Mr. Woodsworth is not reported on that page, but that is immaterial. I will take it for granted that Mr. Woodsworth said that. But what I will add is that Mr. Woodsworth may have said that, and in logic he was sound, but in the matter of representation in parliament regional representation may be as important as population representation. For example, I believe that the northwest territories are entitled as well as the Yukon to a member in this house, because of the mining, trapping and other interests which are unrepresented here in the sense in which they should be represented. On the same basis, I believe the maritime provinces have a right to regional representation; and in spite of what Mr. Woodsworth said in 1935 my opinion would be that the

provision in the act is not unfair and does not seriously impair the argument that we should have representation by population.

What are the minority rights guaranteed in the act? Is one of these rights that the basis of representation shall be along the present lines? I think not. The minority rights written into the British North America Act are surely the religious, educational and certain other rights of a minority. We are in no way interfering with those rights. Let us bear in mind that there were three provinces which entered confederation: Canada—united Upper and Lower, subsequently called Quebec and Ontario—Nova Scotia, and New Brunswick. In the long agitation, from 1840 up to 1858 and beyond, while confederation was being discussed, the argument was that there should be adopted a basis of representation by population. That was the incentive in the minds of many of the fathers of confederation, especially George Brown. We are now endeavouring to carry out the principle of representation by population. Why was sixty-five adopted by the province of Quebec as the basis of representation? Surely merely as a convenient yardstick. That was all.

Mr. REID: It has worked out fairly well, though.

Mr. COLDWELL: It has worked out fairly well, but we find in these days, owing to the evolution of our constitution, it is not working out as well as it might have worked out. Consequently it is now suggested to do what the fathers of confederation intended we should do, have a parliament based more nearly on representation by population. The maritime provinces—and I am not complaining about this—are safeguarding their representation. But the present redistribution, if carried out on the old basis, would be, as I have said, unfair to the western provinces, and as we see from the resolution and its preamble, it is now designed to rectify that wrong.

There is something else I should like to say. There were three conferences which led up to confederation: Charlottetown, Quebec and London. When the fathers of confederation or a delegation of them went to London, did they go there bound by all that was laid down at Charlottetown and Quebec? They did not. In London a number of changes and adjustments were made to the resolutions which had been adopted with the approval of the various provinces, indicating clearly that, having come to a basis of agreement, that agreement in detail might be varied outside Canada and apart from consultation with the home provinces. That was the situation in London, and adjustments were made there. So I say that the contention that the provinces should be consulted in matters which lie within the competence of Parliament is a new contention. As I indicated earlier, the House of Commons committee which was set up in 1915 received representations from only one province; no other province thought it worth while even to appeal against what was a fundamental change in the basis of representation in the senate.

My hon. friend quoted to-day from Sir Robert Borden. As a matter of fact I happened to run across the same speech, but if I read it aright it confirms the position I am taking and does not confirm the position which my hon. friend takes. I may quote a little more extensively from it. This is what Sir Robert Borden had to say in introducing the resolution, the preamble of which I read in part: *Hansard,* 1914, page 5278:

> So far as the provinces of Alberta and Saskatchewan are concerned, we are agreed on both sides of the house that the parliament of Canada has the constitutional power to increase the representation of the senate of each of those provinces from four to six as is proposed.

"We are agreed on both sides of the house" —and no one demurred—that the parliament of Canada had the right to vary the representation in the senate; in other words, that this parliament had a right to change the constitution in the very particulars which we are discussing to-day. That is what Sir Robert Borden said.

Mr. BROOKS: But not as far as the British North America Act is concerned.

Mr. COLDWELL: No. It is true that as far as Manitoba and British Columbia were concerned they were on a different footing. As far as Alberta and Saskatchewan were concerned this parliament had the right to vary that representation. They did more than that. If you will read the amendment of 1915, as I imagine most hon. members have done, you will find that parliament not only settled the representation in the senate of the provinces which then existed in Canada, but went farther and actually provided for representation in the senate of a new province which might come into Canada, specifically mentioning Newfoundland, and laying it down that in the event of admission to the union Newfoundland would have an additional six members of the upper house. I do not think those who argue as my hon. friend argues have, in the light of what has been done, a leg to stand on. The whole history of this country since confederation surely points to the fact

that this parliament has the right to deal with representation in this parliament. We do it when we redistribute the seats; we have done it in connection with the senate, and now we propose to do the same thing again in connection with representation in this house. It is, I take it, our right to do it.

May I quote from Sir Robert Borden's remarks of June 11, 1914, at page 5278 of *Hansard?* Hon. members who have read this debate will recollect that it took place right at the end of the session. There were certain amendments suggested by the senate, and the following year the address came before the house again. There was a short debate and the address was adopted. This is what Sir Robert Borden said in connection with it:

> My right hon. friend, the leader of the opposition, in the course of the debate upon these bills, suggested—what had occurred I daresay to some of us before—that a fourth division should be constituted, which should comprise the four western provinces of the dominion, namely, Manitoba, Saskatchewan, Alberta and British Columbia. He suggested to me—

That is, Sir Wilfrid Laurier.

> —that the better course would be this: that we should not proceed with the bill at this session; but that, inasmuch as legislation was necessary for the purpose of increasing the representation of the province of British Columbia in the senate, we should accomplish that result as to all the provinces in that way; and that, further than that, we should constitute a fourth division and ask for the necessary amendment to the British North America Act for that purpose. My right hon. friend also suggested to me that he thought that, in case of the future constitution of any additional province in Canada, it was desirable that that province should be represented by not less than six members in the senate. We have the power to deal with that under our constitution at the present time.

That is the statement made by Sir Robert Borden. Let us now turn to the same debate and see what Sir Wilfrid Laurier said. I shall quote from page 5280 of *Hansard* in the same debate on June 11, 1914. Sir Wilfrid Laurier said this:

> There can be no doubt that this parliament as constituted has the power to increase the representation of those two provinces.

That is the senatorial representation of Alberta and Saskatchewan. Therefore I am at a loss to understand why in 1946 we should go back to a position which was not held by the leaders of the two great parties in 1914, or why we should reverse the practice which has been in effect throughout the years, of this parliament passing a humble address to His Majesty from time to time, praying for amendments to the B.N.A. Act when this house felt they were needed, namely, amendments in the interests of all the people of Canada.

I think I have said pretty well all that I wish to say on this matter at this time. But before taking my seat I should like to say that surely if this country is to be regarded as a nation, matters which are assigned to this parliament by our constitution must be within the right of this parliament to deal with. We have no right to interfere with something that has been assigned to one of the provinces without that province's consent. That I readily grant, and with that I agree. But I maintain that we would stifle this parliament completely if we accepted the position that my hon. friends are accepting and agree that, before we do something which, according to Borden and Laurier, in the important debate to which I have referred, the last time that change in representation was made in one of the two house of parliament, lies within our rights, we should for one moment do other than exercise that right of our own volition, and appeal to the people of Canada when the times comes to validate the action that we have taken.

Mr. FREDERIC DORION (Charlevoix-Saguenay): I must state at first that I find myself in a peculiar situation regarding this resolution. In fact I am strongly in favour of the principle which is at the basis of it and I believe that it will be supported by the great majority of the population of the country; but I cannot agree with everything that the Minister of Justice (Mr. St. Laurent) said when he introduced the resolution. I am further convinced that any amendment of our constitution should be discussed with and by the provincial governments before it is acted upon, especially when it deals with the representation which, according to the terms of the resolution, must be calculated on a provincial basis. If it had been possible to settle the redistribution without being obliged to amend our constitution I would have more heartily supported the resolution; but when I notice that the result of the amendment will be the disappearance of the grave injustice created by paragraph 4 of section 51 of the British North America Act I cannot do otherwise than admit that, notwithstanding the defects of procedure, the resolution carries with it the remedy to a serious condition for the people of the country.

I wish, however, to take this opportunity to make some remarks on the question of the procedure of amending our constitution. I have listened with great interest to the speech delivered by the hon. member for Lake Centre (Mr. Diefenbaker), and I deeply regret that he did not make a similar speech in 1943, when the constitution was amended in spite

of the opposition of a very few members in this house. We based our objections on the very same grounds raised this afternoon by the hon. member for Lake Centre. At the time he was in favour of amending the constitution.

We have read and heard many suggestions regarding the procedure to be adopted for the amending of our constitution. Different points of view have been expressed by experts, politicians and laymen. But there is one point on which I believe everyone agrees at the present time, namely, that the time has come for our country to adopt, once and for all, a procedure which would enable us to amend our constitution, when necessary, without being obliged to have recourse to another country; provided, however, that this procedure does not come into contradiction with the principle which was at the basis of confederation, namely, a compact between the two races, the French and the English.

The history of the confederation movement, together with the Quebec and London resolutions, indicates clearly that the provinces of Canada could not have united in 1867 except on the basis of a federal constitution, and also on the basis of effective guarantees for the interests of the French minority, especially in respect of language, civil law and religion.

At this time I should like to cite some declarations of persons in authority. As early as 1920 in this very chamber, the then leader of the opposition, now the Prime Minister (Mr. Mackenzie King), said, as reported at page 468 of *Hansard:*

> But I would like to submit to my hon. friends opposite that perhaps it would be more in accord with the status which Canada has as a self-governing dominion or nation within the British empire if, instead of presenting an address to His Majesty to ask His Majesty's consent to the parliament of the United Kingdom amending the British North America Act in the two particulars mentioned, the government shoul consider the advisability of an address being presented to His Majesty to have powers given to the parliament of Canada, subject to the concurrence of the several provinces of the dominion, to amend the constitution of Canada in such particulars as may be agreed upon as a result of conference between the provincial and federal authorities and approved by this parliament and the legislatures of the different provinces.
>
> I have here a copy of the constitution of the Commonwealth of Australia and of the Dominion of New Zealand. Both Australia and New Zealand have the right to amend their own constitutions in the particulars mentioned therein. Why should this parliament not have the same powers to amend its own constitution, subject to the safeguards that are necessary to comply with the spirit of the act of confederation, as have these other nations within the British empire?

[Mr. Dorion.]

In the course of the same debate, Hon. Mr. Doherty, Minister of Justice, speaking for the then Conservative government, said at page 479:

> Now nobody has ever disputed that legally the legislative power is supreme in the parliament of the United Kingdom and it follows that the British North America Act—though in reality and in substance a compact between the provinces is in form an act of the parliament of the United Kingdom. Such being the case when that act has to be modified we have to go through the form of addressing ourselves to that parliament of the United Kingdom. But to suggest that that throws any doubt upon our constitutional status as a nation within this empire I think only implies a confusion between what may be the requirements of the law and what, side by side with those requirements of law, may be the constitutional rights of the nations or peoples within the empire. We have the two things, we have the law and the constitution, and they do not always agree—sometimes they are in absolute contradiction.

He went on to say:

> The hon. gentleman went on to say apropos of this condition, that what we ought to have, instead of what we are asking in these resolutions, is a power in this parliament, subject to the concurrence of the provinces, to amend our own constitution. In that I am most heartily at one with the hon. gentleman.

Since then, many other debates have taken place in this house, and I believe I can state without fear of contradiction that every time this question was raised the official policy of the Liberal as well as of the Conservative party remained the same; that is to say, that to complete our status as a sovereign nation within the British commonwealth we should not suffer the humiliation of being obliged to humbly request another country to amend our own constitution. I did not deem it necessary to report any declarations by members of the C.C.F. party, because it is a well known fact throughout the country that since its foundation the leaders of that party have expressed their views on this matter on many occasions. The late Mr. Woodsworth, first leader of the C.C.F., and also its present leader have not only seized the opportunity but grasped every occasion to claim for our country this element of soverignty.

I deem it proper to recall a principle which is at the basis of our constitution and which has been clearly stated by jurists as well as by political leaders on many occasions. This constitution, like that of all countries connected with the British empire, is partly written and partly unwritten. In the course of the 1926 electoral campaign the Prime Minister took advantage of several occasions to emphasize the soundness of the confederative pact. In *Le Soleil,* mouthpiece of the

Liberal party in Quebec, we find in the edition of August 24, 1926, the following declaration made by the Prime Minister at Sherbrooke:

We stand for the rights and freedom of the people and I hope that the Conservatives will follow me.

Our opponents talk about annexation and accuse me of such intention. . . . We have but one aim, the defence of the constitution. We desire to be one nation among the self-governing nations of the British empire, no more no less. This British constitution for which we fight is the most precious heritage won by centuries of fighting. The tie uniting Canada to the British empire has been strengthened by the means of war sacrifices and British immigration. . . .

The constitution is something sacred, partially written and partially unwritten. It has its source in a far off past and tangibly shaped itself in our traditions. It is founded on the customary right and is moulded by means of precedents, of grand charters and peoples' rights. Nobody has seen it and nobody can wholly define it; but one can feel its presence whenever peoples' freedom and rights are threatened, because it is the result and the deed of the best British tie born out of secular struggles. Throughout the dominions, it constitutes a component part of loyalty. It is a pendulum against any tendency of severance or annexation.

Mr. SMITH (Calgary West): Who was that?

Mr. DORION: The present Prime Minister, in 1926. I believe it is an indisputable fact that our constitution is founded not only upon the British North America Act but also upon precedents which have become, so to speak, part of the constitution. It goes without saying that these precedents cannot be in contradiction with written text, but they have been accepted as an explanation of the letter of the text. This is why they have come to be accepted as the written law itself. It is in the light of this principle that I intend to show that the procedure of amending our constitution must be carefully studied so as to protect the rights of minorities and of the provinces.

I do not need to recall that our country is the only one in the world that cannot amend its constitution in its own way. Many reasons can be given to explain this anomaly, but the fact is that this situation does exist at the present time. That is why on so many previous occasions the Canadian government has thought fit to study the question. The first occasion this question was discussed was, I think, in October, 1887, when a conference was held of all the provinces except Prince Edward Island and British Columbia. In the course of this conference special consideration was given to some proposed amendments of the British North America Act. The representatives of the provinces made many suggestions as to the amendments they wished adopted; yet they did not touch the main question of the procedure to be followed for the amending of the constitution. They seem to have taken it for granted that the only way to amend it was by imperial enactment. Later, in 1927, a dominion-provincial conference was held in Ottawa from November 3 to November 10. According to official reports, the question of "procedure in amending the British North America Act" was the subject of discussion during an entire session of the conference.

This dominion-provincial conference was held shortly after the imperial conference at which the status of the British dominions was finally established according to the terms of the Statute of Westminster. It was then clearly stated that the present method was not consistent with dominion status, and the question was asked whether Canada should not have the same powers over its constitution as had the sister self-governing dominions. It was then admitted that the constitution could not be regarded as rigid and inflexible and must be subject to change with the changing times. It was therefore only a question of the best procedure to be adopted under the circumstances. At the conclusion of this debate it was stated that the government would carefully consider all opinions on the subject.

In April, 1931, before the passing of the Statute of Westminster, the provinces were consulted through the medium of a conference with the dominion, for two reasons: first, because a question arose whether the removal of the barrier of the Colonial Laws Validity Act should extend to provincial legislation as well as to dominion legislation. The dominion was having that barrier removed and the provinces stated they also wanted it removed.

The other reason was that the report of the 1930 imperial conference which was to be the basis of the statute of Westminster, was figuring to preserve the status quo with regard to the distribution of powers between federal and provincial governments and to the way in which the British North America Act was to be amended. No resolution was adopted at this conference with the provinces as to the method of amending the constitution, because it was announced at that time that a conference would be held between the dominion and the provinces at a later date when the whole question would be taken up. All that was sought to do in 1931 was to ensure that, for the time being, the status quo was not altered by the statute of Westminster, as regards constitutional amendment.

The fourth time this question was considered by the authorities was in 1935 when,

at the session of that year, a special committee on the British North America Act was set up. This committee held many sessions from January, 1935, to June of the same year. Many experts in constitutional law were heard as witnesses, and finally a report was made to the House of Commons on the 19th of June, 1935. I wish to quote two paragraphs of this report, which will show that, even if they did not come to a final conclusion on the question, it was considered as very important, and it was thought advisable that the question should be finally settled as soon as possible.

I quote from the report:

The committee recognizes that there is a divergence of opinion with respect to the question of whether or not the British North America Act is a statutory recognition of a compact among the four original provinces of the dominion and as to the necessity or otherwise of provincial concurrence in amendments. Without expressing any opinion upon that question, the committee feels that in the present case, and at the present time, it is advisable in the interest of harmony and unity that there should be no consultation with the provinces with respect to the adoption of a definite mode of amendment or the enactment of amending legislation which might seriously alter the legislative jurisdiction of the provinces and the dominion.

The last part of the report reads as follows:

In view of the fact that the several provinces did not feel it advisable to give the committee the benefit of their views with respect to the method of procedure to be followed in amending the constitution, the committee is of the opinion that before any decision upon the subject matter of the resolution is finally made, that the opinions of the provinces should be obtained otherwise if at all possible and for that reason recommends that a dominion-provincial conference be held as early as possible in the present year to study the subject matter of the resolution. The proposed conference should have ample time in which to study every phase of the question.

In view of the above recommendation the committee expressly refrains from recommending any form of procedure for amendment so as to leave the proposed conference entirely free in its study of the question, except that the committee is definitely of the opinion that minority rights agreed upon and granted under the provisions of the British North America Act should not be interfered with.

One may ask himself why the fathers of confederation did not provide in their project of constitution the ways and means of amending it. I do not think any explanation can be found anywhere for the lack of this provision. The most probable reason was that they believed the terms of the confederation were broad enough for the settlement of any problem that could arise in consequence of the establishment of Canadian confederation. They must have thought that the clause regarding the residuary powers would make all the problems very easy to settle. There is one thing certain: neither in the Quebec resolution nor in the London resolutions was there any question of adopting a procedure for the amending of the constitution.

It was not very long after the confederation that this question of amending the constitution arose. The first amendment took place in 1870 when the Manitoba Act was passed. Since some diversion of opinions had arisen on the question of constitutionality of section 146 of the British North America Act, the Canadian parliament in 1871 petitioned the imperial government to present to the parliament of the United Kingdom a law to dissipate any doubts.

In 1875, the imperial parliament adopted an amendment along the lines suggested by the governor general in council for the changing of section 18 of the British North America Act.

The third amendment was passed in 1886 when there was adopted a law intituled "an act respecting the representation of the parliament of Canada in territories which, for the time being, formed part of the Dominion of Canada, but are not included in any province." In other words, the object of the amendment was to empower parliament to provide for representation of territories in the Senate and House of Commons.

In April, 1907, the House of Commons and the Senate adopted a joint resolution asking the imperial parliament to pass a fourth amendment to permit the increase and regulation of federal subsidies to the provinces.

In 1915, another amendment was passed to increase the number of the senators and to alter the divisions of Canada in relation to the constitution of the senate.

An amendment was passed in 1916 to extend for a year the duration of the parliament elected in 1911. In 1930, a new amendment was passed to return the national resources to the western provinces. In 1940, an amendment was adopted by the parliament of the United Kingdom (to institute unemployment insurance amongst the class of subjects enumerated in section 91 of the British North America Act).

Finally, the last amendment was passed in 1943 under the following title: "an act to provide for the readjustment of the representation of the provinces in the House of Commons of Canada consequent to decennial census taken in the year 1941."

A few words of comment on these amendments will be, I think, worthy of interest. It must be noted, first, that the amendment of 1875 was passed by the imperial parliament at the request of the Canadian government, without any resolution of the parliament itself.

This was the only time that such a procedure was adopted, but once is enough to show that the lack of procedure in such an important matter may lead to any sort of abuses.

On this occasion Sir John A. Macdonald declared that he deprecated any infringement upon the provisions of the British North America Act in a manner which would interfere with the rights of the different provinces of the dominion. He believed, however, that there were occasions when parliament might address Her Majesty in regard to bills, the validity of which were questioned, without referring to the provinces, but with the greatest of circumspection. In all the other instances, the amendments of the British North America Act were passed after a resolution of the Canadian parliament.

There is also, as regards these amendments, another aspect of the question that should be carefully considered. As I said a few minutes ago, there was an amendment in 1907 regarding the grants by the dominion government to the provinces. This was an amendment of section 118 of the British North America Act in which it is clearly stated that " such grants should be in full settlement of all future demands on Canada."

In 1906, there was held in Ottawa an interprovincial conference at which the provincial governments passed a resolution to the effect that a measure would be submitted to the parliament of Canada for an increase of subsidies and that an amendment is judged necessary.

Following this interprovincial conference, a resolution was passed by the Senate and House of Commons requesting from the imperial parliament an amendment of the abovementioned section 118 of the British North America Act.

However, British Columbia opposed this resolution. Objections of this province were conveyed to the secretary of state for the colonies in London; but in spite of this opposition, the imperial parliament passed the act requested, with some minor changes. Therefore, in this instance, the imperial parliament adopted an amendment of our constitution, notwithstanding the opposition of one Canadian province.

Furthermore, in 1943, objection was raised by the leaders of the two political parties in the province of Quebec against the proposed amendment regarding the redistribution. Even then, in spite of these objections, the resolution was passed by the Canadian parliament and the amendment was granted by the British parliament.

We must admit, as demonstrated at the beginning of my remarks, that precedents form part of our constitution, and taking into account what has taken place as regards the amendments to our constitution since 1867, we must conclude that the British parliament can amend our constitution, even when serious objections are raised by the provinces and even when the only request is made by the Canadian government.

Therefore we have the right to contend that our constitution has become an ordinary law which can be changed at the request of any political party which happens to be in power. This is a serious situation, and that is the reason why we must see to it that some protection be given to this constitution of ours, because we have here in Canada provincial rights as well as minority rights that are the basis of confederation. These rights should be preserved at all costs.

I do not intend to discuss the procedure itself which should be adopted for the amending of our constitution, but I should like to show the necessity of setting up a commission to study this procedure. One of the main reasons why the special committee set up in 1935 by the House of Commons could not arrive at a better conclusion was that the provinces had not been called to take part in the setting up and the proceedings of the committee. Messages were sent to all the provinces in the following terms:

The special committee of the House of Commons on the British North America Act desires to have the views of your government with respect to methods of securing amendments to said act. The resolution referred to the committee follows:

"Resolved that in the opinion of this house a special committee should be set up to study and report on the best method by which the British North America Act may be amended so that while safeguarding the existing rights of racial and religious minorities and legitimate provincial claims to autonomy, the dominion government may be given adequate power to deal effectively with urgent economic problems which are essentially national in scope."

While the committee does not object to the personal attendance of a representative of your government, it was thought less costly to ask for a written submission. Copies of proceedings have been sent you, please intimate when we may expect to receive your submission.

In the replies of all the provinces one may notice a similar point of view which can be summarized as follows: This matter should be approached by a conference of representatives of provinces and dominion. That is why my suggestion is that if a commission can be set up it should be with the concurrence of all the provincial governments.

I should like, however, to point out that special care should be taken to the effect that all the major political parties representing the people should collaborate with the provincial governments in each province in the appointing

of the provincial representatives to this conference. Special care should also be taken to have on such a commission representatives of provincial minorities. I would also suggest that the deans of law faculties in the dominion be called to participate personally, or through representatives, in the work of this commission.

As regards the representation of the dominion government, I should think that some of our experts in constitutional law could be called upon to form part of the delegation. I should like to mention especially some of the outstanding experts like Professor Kennedy, Mr. P. C. Edwards, Doctor Beauchesne and Doctor Ollivier.

One may object to such a proposal on the ground that the personnel of this commission might be too numerous. After having given full consideration to this matter, I came to the conclusion that this objection would be counterweighed by the fact that such a commission would receive satisfactory appreciation by the people of the country. This would also be a way of expediting the business in organizing some sub-committees who could prepare the suggestions for the commission itself.

The last important point I should like to submit to the attention of this house is that the report of this commission should be adopted by each of all the provinces, as well as by the Canadian parliament. I sincerely believe that with the concurrence of all the interested parties there surely can be found a way of amending our constitution which would meet with the agreement of every province.

Therefore, to summarize my contention, I should like to say, first, that the Canadian government must take, at the earliest opportunity, the initiative of setting up a commission to study the procedure of amending our constitution; second, that the provinces must be invited to collaborate in the setting up of this commission which could not be organized if any of the provinces objected to it; third, that the deans of law faculties throughout the dominion should be invited to collaborate in the work of this commission; fourth, that the report of this commission should be sent to the dominion government and to the governments of all the provinces at the same time and, fifth, that to come into force, this report should be adopted by the dominion parliament and by each one of the provincial legislatures.

In concluding, Mr. Speaker, I wish to state that in voting in favour of this resolution I sincerely hope it will be the last time we are called upon to discuss a resolution of this kind.

[Mr. Dorion.]

Mr. ROCH PINARD (Chambly-Rouville): Mr. Speaker, at the outset of these remarks I wish to express the astonishment I experienced when I noted how some hon. members have decided to oppose the present resolution. I had thought—I trust my naivety will be excused—that this resolution would be adopted unanimously, that is to say without a single dissenting voice. As a matter of fact it appeared to me strange that any of the people's representatives in this chamber could oppose the principle laid down in the measure we are considering, a principle by virtue of which the very one who fights it has the right to speak in this house.

This principle constitutes the very basis of our system of government. When I heard certain of our opponents state their intention of voting against the resolution I could not keep from thinking of the injustice of their attitude. By their opposition to this measure they wish to deny to others the right they at present enjoy of speaking in the name of the population after having been chosen by a certain number of citizens who have the right to demand a representative who will be their spokesman in this parliament.

I know that several of those who have opposed the resolution have stated that they are not fighting its underlying principle or spirit, and I will go so far as to say that nobody in this house can take exception to the essential feature and purpose of this measure. But I firmly believe that all those who have taken upon themselves to join battle with us by raising objections on the score of delay or for the sake of appearances perform nevertheless the same job and seek the same result, which is to prevent each of the provinces making up this country of ours from having in the House of Commons the number of representatives to which its population entitles it.

There are several ways of combating legislation which one does not want to see adopted or approved. Exception can be taken to its spirit, or one can attack its substance and its form; one can bring forward amendments thereto, or again one can suggest postponements or formalities before it is adopted. When legislation involves the enunciation of a principle which it would be dangerous to deny or to ignore, such as is the case here, they go about it more skilfully. Opponents insinuate that they unhesitatingly accept the principle laid down; they even go so far as to pretend that they are its only true champions. Then some parliamentary means or expedient of procedure is contrived to combat the measure and one often obtains the result sought after. In certain cases it is even

claimed that the principle at stake is not vigorously enough defended, but the result nevertheless is to prevent its application in a practical form.

Such really seems to be the attitude of most of those who oppose in this house the adoption of the present measure for the redistribution of electoral ridings. All opponents declare themselves in favour of the principle but they devise means of preventing the adoption of the resolution.

The principal means our opponents resort to consists in stating that the Canadian parliament has no right to ask for an amendment of the constitution without having previously secured the consent of the provinces. In the present resolution the Canadian parliament asks the imperial parliament to amend the constitution by changing the terms of section 51 of the British North America Act, which relates to the representation in the House of Commons, and making therein the modifications set out in the resolution.

Utilizing this makeshift means with that much skill our opponents, among whom we even number, strange to say, the premier of Quebec, who thus is a party to their attitude, once again wave the flag of provincial autonomy and shout about the spoliation of provincial rights.

In the first place, I venture to declare that the attitude of the premier of Quebec is all the more singular since it is not supported by the few friends he has in this house. He knows the provisions of the resolution we are now considering; he knows that its purpose is to increase the number of the representatives of the province he directs; he knows that the measure would increase the number of federal members of the province of Quebec from sixty-five to seventy-three; he also knows, I presume, that this resolution is the one and only means of increasing Quebec's representation in Canada's parliament. He must conclude, as I do, that, failing this resolution, the figure of Quebec's deputation would remain unchanged.

Finally and especially he must know the injustice that would ensue if, notwithstanding the increase in its population since the census of 1931, the province of Quebec retained the same number of members at Ottawa and consequently suffered a real injustice by comparison with the other provinces of this country.

It is all one to him; what seems to count with him is that he resorts to the cry to which we have become accustomed over a span of several years, namely, that he claims once again that Ottawa is attacking Quebec's autonomy. He states in open letter to the Minister of Justice (Mr. St. Laurent) that the provinces must be consulted and yield their consent before the Canadian parliament seeks the proposed amendment from the imperial parliament.

In other words, the premier of Quebec exacts that Ontario, British Columbia and the other provinces should agree and give their assent before the Canadian parliament does justice to the province of Quebec. He wills and requires that the other provinces say yes before the parliament sitting at Ottawa is authorized to increase from sixty-five to seventy-three the number of federal members from the province of Quebec.

If that is the premier of Quebec's way of defending his province and the French minority it constitutes in Canada, if it is by surrendering its destinies to the decision of the other provinces that the premier of Quebec wants to protect his own province, I prefer the stand I shall adopt by defending with all my strength in this house the resolution now under consideration and the principle it sanctions.

I shall better defend the minority to which I belong; I shall better understand the spirit of the constitution and of the Canadian confederation; I shall better protect my compatriots, and I shall better do them justice by enabling them to secure the additional representatives it is their right and their duty to demand. Facing my conscience and mindful of my oath of office, I shall thus better understand my duties toward my province and toward the other provinces.

As for the attitude of the other opponents of the resolution, of those who in this house combat it by also resorting to the same means, I believe such an attitude is unjust and illogical. When they ask that the provinces be consulted and their assent secured, I say to them that the House of Commons is master of its own destinies. I claim that the Canadian parliament alone must decide who shall represent the population of this country at Ottawa. I believe that it is not incumbent on Canada's parliament to consult the provinces in order to alter the electoral districts.

Finally, I declare that the parliament of Canada is no more required to have recourse to a consultation or to seek consent any more than the provincial legislatures have done so or are bound to do so when it is a question of altering their representation in the provincial assemblies. I acknowledge, however—and I want my attitude in this respect to be clearly understood—that the provincial parliaments are also sole masters of their destinies. I declare that the central parliament has no

right to do anything or enact any legislation that could interfere with their true autonomy. If ever the parliament of Canada manifested its intention of amending the Canadian constitution to the detriment of certain rights, privileges or prerogatives of the provinces, and if it decided to take such action without their explicit consent, I would be the first to rise against such an attitude.

I was not elected to this house to have a hand in sabotaging the constitution. I never want to become the opponent and the enemy of the rights of minorities and of the provinces. I shall never be a party to a measure the purpose of which is to take away from my province or from the other provinces their respective privileges and rights. On the other hand, when it shall rest in my power within this parliament and on the floor of this house to have a hand by my attitude, by my words, or by my vote in correcting an injustice done to a minority or to a province; when it shall be given to me to defend the weak and the oppressed in this Canadian democracy, I shall not shrink from my responsibilities and I shall record my vote in support of the measure that shall seek that end.

If, as in the present instance, it is once again my party that takes this initiative of righting a wrong or correcting an injustice; if it is my party that constitutes itself the defender of minority rights or of the true prerogatives of the provinces; if it is my group that takes upon itself to be the real champion of true autonomy I shall be proud and happy to belong to it. Such is, I believe, the stand which every Canadian should take in respect of the present measure, and here is a true means of defending Canadian democracy in this chamber.

When opponents of this proposed redistribution had occasion before to discuss the problem, they did not always take the same stand. That is why certain facts connected with the position taken by our opponents of the Progressive Conservative party should be pointed out. They clearly show how inconsistent are some of their present statements.

The present measure is not new. It has been discussed every time there has been a question of redistributing the electoral districts. After each census, the government of the day, in order to abide by the constitution, was required to introduce a redistribution bill, and on every occasion such a bill was the subject of discussion in the House of Commons. On the occasion of each of those discussions or debates when it was Canada's good fortune to have a government directed by the party to which I belong, that government always took the same stand. It always strived to have redistribution carried out with all necessary dispatch and in the same spirit of justice and equity.

It really seems that on this occasion, too, it will fall to the Tory group which has so often changed its name and its leaders, but which has not often changed its policy, to be the first to combat a measure the principle of which is the very keystone of our political institutions and of our system of government. But it is in the attitude our opponents have adopted since the census of 1941 with reference to the very question we are now discussing that their inconsistency appears to us in full light.

In the course of the year 1943, especially, the Minister of Justice had to introduce in this house a resolution asking that the adjustment of the representation from the provinces be postponed and redistribution deferred until the war against our enemies, Germany, Italy and Japan, had been brought to a close. As in the present case, the resolution proposed a change in the provisions of the British North America Act. I think it will serve a useful purpose to refer thereto and to read that part of the resolution so that we may fully grasp the change then sought in our constitution. This is the text of the preamble of the resolution introduced on July 5, 1943, which I shall now read:

> Whereas provisions of the British North America Act require that, on the completion of each decennial census, the representation of the provinces in the House of Commons shall be readjusted . . .

Then, further on, at the conclusion of the petition itself, I read this:

> Notwithstanding anything in the British North America Acts . . . it shall not be necessary that the representation of the provinces in the House of Commons be readjusted, in consequence of the completion of the decennial census taken in the year 1941, until the first session of the parliament of Canada commencing after the cessation of hostilities between Canada and the German Reich, the Kingdom of Italy and the Empire of Japan.

So, Mr. Speaker, I contend, by that resolution the provisions of our constitution were directly affected, as is the case in the present resolution. In fact the Minister of Justice was then seeking much more than he now seeks by the resolution under consideration. He asked for something more than an amendment of the British North America Act. He was asking the imperial parliament to allow the Canadian parliament not to carry out the terms of that constitution. He asked that parliament ignore the provisions of section 51 for a period of time which it was then impossible to determine. He asked that the application of our constitution to the then existing

situation be suspended and that one of its essential provisions be set aside at least for a time.

The question gave rise to a long debate, a debate in which several hon. members who are to-day opposing the resolution under consideration took part. What was the attitude of the official opposition? What was the attitude of our opponents then led by the hon. member for Peel (Mr. Graydon)? All without exception voted in support of the measure and consequently went on record in favour of this essential modification of our constitution. Did none of them feel the scruples that seem to beset them to-day? Did none of those members of the opposition who to-day object to the resolution protest at that time because the provinces were not consulted? Did any of them raise the objection that the provinces had to consent to a suspension of the application of the terms of our constitution?

What was the attitude of the hon. member for Lake Centre (Mr. Diefenbaker) who to-day claims to be the champion of the rights of the provinces? What did the hon. member for Vancouver South (Mr. Green) say, who to-day will claim to want to prevent the provinces from suffering an injustice? What were the views expressed by the hon. member for Davenport (Mr. MacNicol), whom the autonomy of the provinces, especially that of Ontario, I suppose, seems to concern so deeply to-day? Silence. Not one word from them was heard during the debate in July, 1943.

What stand did the house leader of the opposition, the hon. member for Peel, take in the matter? Speaking for his party, he then went on record in support of the resolution and we did not hear him voice a single word of protest over the failure to consult the provinces or the provincial parliaments.

Was it because at that time the resolution asked that the constitution be altered but on that occasion so as to defer redistribution? Was it because, when that first resolution was introduced, certain aggrieved provinces were prevented from securing justice and others were allowed to avail themselves of a situation contrary to equity and to the very text of the constitution? Was it planned in 1943 to deny for a time to democracy its sovereign rights, only to refuse again in 1946 to acknowledge them? Was it planned at that moment to postpone redistribution because of a state of war, or was it simply because the sponsors of the resolution preferred to take delight in illegality and injustice? I believe there is cause to be astonished at the attitude of our opponents who to-day adopt a course from which they refrained yesterday when the situation was the same but the goal sought was different.

Amidst these contradictory attitudes, these dilatory tactics, these fiery speeches on the autonomy of the provinces, what becomes of the great principle on which the resolution now under consideration is founded? All seem to recognize the truth it holds; all want to see the provinces treated justly, but the attitude of several runs counter to their statements and to their so-called wishes.

I revert for a moment to the position taken by our opponents in 1943. Not only did none of them then declare that the provinces should be consulted as a preliminary step; not even one objected against the application of section 51 being postponed. On the contrary, all those who took part in the debate at the time declared themselves in favour of redistribution. This often happens elsewhere; one subscribes readily to a fundamental truth when one knows beforehand that it will not be put into practice. Redistribution and an equitable division of representation in each province were supported at the time with great emphasis. But this was no doubt owing to the fact that it was known at the time that the government could not put the measure into effect.

Here is what the hon. member for Peel stated on July 5, 1943, on behalf of the party which he then led in the house. I find his words at page 4343 of *Hansard* for that year:

> We are anxious as a party that no provinces shall have any just grievance in respect to redistribution. Having that in mind, we base our support of this resolution upon the one ground that this is a war-time period when abnormal conditions exist. Because of the war and because of these conditions we feel that it is part of our duty to the nation at large to support the present resolution.

The hon. member—and I underline his words—stated that the one ground on which he agreed to delay redistribution was the existence of a state of war. He then agreed to delay redistribution, notwithstanding the constitution and notwithstanding the assent of the provinces. He did not want the provinces to suffer any injustice in this respect, he said, and the existence of a state of war was the one ground why he agreed to defer redistribution. To-day, if he finds himself called upon to express his views in line with his statement, he will reaffirm his attitude but this time he will find a way of putting off that which he claims to be his wish.

For my part, I understand differently the importance of the principle the government asks us to sanction by the present resolution. This principle, as I have already said, is basic to our parliamentary system. That parlia-

mentary system was not given to us on a silver platter, with no effort on our part. We had to labour and strive to establish it in this country. To vouchsafe this system to us, our forebears fought with the pen, by word of mouth and even with the sword. They waged notable battles to enable the Canadian people to possess this system and enjoy it. It was in order to guarantee to us the privileges and rights of self-government that men of courage in bygone days did not quail before exile and even death itself. Is it not by reason of that fact that the names of Mackenzie and Papineau and, yes, of other pioneering spirits in the cause of responsible, representative government are inscribed in golden letters in the history of this country and that they will forever remain engraven in the minds of those who love Canada?

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. PINARD: Before the house rose at six o'clock I was expressing the opinion that a vote against this resolution is in reality a vote against our system of government. It was in defence of our system of government that we had to wage war against those who claimed to derive their power and authority from themselves and not from the people. The allied nations undoubtedly jointed battle with the totalitarian powers for preservation of that very idea. Hence, it is not without cause, I am sure, that we declare to-day that those who died have shed their blood for the defence of democracy and sovereign rights. Again at this very hour, when anxiety grips the minds of peoples throughout the world, at a time when powerful forces seem intent on jeopardizing a peace we have just won, we must realize more deeply than ever the necessity of guarding, protecting and defending those concepts of life we wish to continue to love and respect. It is in that spirit that I shall support the present measure and also because I want to remain a true democrat. I shall vote in favour of the resolution to enable the Canadian people to be heard by all parts of the country equally and with justice within the precincts of this parliament.

I shall lend my support to the Minister of Justice who once again has understood his task and his duties admirably and who wishes to exemplify equity and justice.

Before concluding, I should like to say a few words with reference to the obligation resting upon us to have recourse to the imperial parliament in order to secure the remedy proposed by the terms of the resolution before us. Every time the occasion arose we proudly proclaimed our complete independence within the commonwealth of British nations. We wish to believe, and we have a right to insist, since our country is now of adult age, that the statute of Westminster be not a dead letter and was not adopted in vain. The most serious obstacle to the proclamation and the recognition of our sovereignty and of our complete autonomy lies in the fact that we do not yet possess our own constitution. Our constitution is embodied in an imperial statute; it does not even constitute a Canadian statute. That is why we must on every occasion undertake, perforce, that pilgrimage to London to ask others to decide upon our own destinies. So long as this anomaly has not disappeared from our national life, we shall not have the right to claim that Canada is a sovereign country.

In 1935, when a committee of this house inquired into the British North America Act, it was suggested that we should at long last give ourselves a constitution that was essentially our own, a truly Canadian constitution. One of those who sponsored this suggestion is none other than Mr. Maurice Ollivier, one of the brilliant legal officers of the House of Commons. In that respect I entirely agree with what was said this afternoon by the hon. member for Lake Centre (Mr. Diefenbaker).

In Mr. Ollivier's often quoted volume, "Problems of Canadian Sovereignty", we find the following at page 394:

> I suggested, too, that the committee should recommend the establishment of a commission charged with redrafting a new constitution based on the British North America Act. The first step would be to consider the sections in the act which were temporary and now spent, which therefore should be left out.
>
> The new Constitution Act would then be divided into seven parts, as follows:—
>
> 1. Preamble and preliminary;
>
> 2. Those provisions which affect the federal power alone and where the consent of the provinces would not be required for the purpose of amendment;
>
> 3. Provisions affecting the internal constitution of the provinces and which could be amended by the provinces without the consent of the federal parliament;
>
> 4. Ordinary sections requiring for purposes of amendment the consent of a majority of the provinces;
>
> 5. Certain sections which would require the consent of all the provinces before they could be amended;
>
> 6. A section providing that in case amendments relate to only one or to a restricted number of provinces the consent of that province or those provinces alone would be sufficient;
>
> 7. A section providing, in the manner before described, for a mode of amendment to the constitution. After a new constitution has been devised and agreed upon, it should then be

adopted as a Canadian act, that is, as a dominion statute, and we should then obtain from the imperial parliament their consent to repealing the British North America Act.

I believe, that such a suggestion was essentially progressive, and I would have supported it unhesitatingly. Our country now has the right to proclaim to the world its complete sovereignty. It owes to itself, by reason of the reputation it has acquired, alike at home and in international councils, to have that document which characterizes most the sovereignty and the independence of a nation, its own constitution. We have witnessed what is occurring at the present time in European countries that bore the yoke of foreign occupation during the war that has just ended. Their first impulse and their first action on recovering freedom were to bestow upon themselves a new constitution to reaffirm to the world their sovereignty and their greatness. Let us do likewise; for it is also our right and our duty to proclaim our faith in the future and in the greatness of our destinies. We have just enacted the bill that makes us Canadian citizens. I hope that we shall soon be given a really distinctive Canadian flag.

Let us ever march forward. Let us sanction our rights, our privileges and our national entity by giving ourselves this time a really Canadian constitution.

Mr. T. L. CHURCH (Broadview): I wish to register my protest against the cause and effect brought about by this resolution. We of this country have had a fixed policy on representation in the House of Commons brought about, first, by written law and, second, by unwritten, law the unwritten law being, one, agreements, conventions, usages, customs, made by the two original provinces which came together on the Act of Union of 1841, and the other two, Nova Scotia and New Brunswick, which joined at confederation.

There were certain definite principles laid down on representation in the written law, in the constitution and in the unwritten law consisting of customs, subventions, agreements and all these things that go to make up the written law at the time the common law was adopted in this country by the constitution.

I have great respect and admiration for the Minister of Justice (Mr. St. Laurent), and I am surprised that he has brought forward this resolution. Who is asking for it? What mandate has the government of the day to bring in a resolution such as this, upsetting all the electoral law we have had since confederation?

I have always been in favour of the principle of confederation, "Each for all and all for each", the old Cornish battle-cry, which I believe is good enough for all the provinces and was so written by the founders of the act of confederation. They were not all of one party fortunately in 1867.

The proposed resolution grows out of what? It grows out of a private member's resolution which was presented in this house last year, and which was not adopted. It never had a chance to be adopted. The government put up certain speakers and the motion was talked out at eleven o'clock. Fortunately it did not come up again.

The people of this country have been very much alarmed at what has been going on in this house ever since the session began. Like so many other matters, this resolution will cause widespread disunity in Canada.

The visit of Their Majesties to this country in 1939, when they were accorded such a tremendous reception by people all over the country, and nowhere more so than in the province of Quebec, showed the tremendous popularity of the monarchy. It also showed the decay of parliament and the decline of the House of Commons. That is a fact. We are talking about representation in the House of Commons, but what does it amount to? It does not amount to very much in the government of Canada. We have handed over our rights, franchises, privileges and customs to a whole crowd of people in various central boards, so much so that at the present time we need a John Hampden in this country. When King Charles walked into the House of Commons and said he was looking for certain birds, only to find that the birds had flown, the Speaker told him, "I have neither eyes to see nor ears to hear but as the house gives me utterance."

We have heard some strange doctrines preached in this house since parliament convened after the last election. I call your attention, Mr. Speaker, to a remarkable fact in connection with this motion. In 1927 I proposed in this house a resolution concerning parliamentary, constitutional, cabinet and law reforms, and those were the main questions in this country from that year on. The Liberal party calls itself the reform party. Well, all the reforms for the benefit of the people that have been brought down this session do not amount to the snap of the fingers as far as they go to help the working classes get any relief. What representation have we had in the last number of years? Shortly after my resolution came up in 1927 and before it after

the last war, a million and a quarter men had to leave the central provinces for the United States, in order to earn a living. What did they care about representation in parliament; and what does the average member have to do with the affairs of the country at the present time? He has very little.

What happened when the last census was taken? It was taken at a time when thousands of men were out of the province of Ontario. They followed a different principle during the first great war. At the exhibition grounds in Toronto, in the Niagara district and up at Camp Borden they had 65,000 troops, all from that area. That, however, was changed in the last war. Then the government said, "We shall have our artillery at Petawawa and Winnipeg; we shall have other branches of the army down by the sea, and we shall have another part of the army right out at the west coast." The result was that young people from the city of Toronto had to go all over Canada, and they were not included in the census of 1941. I also know that in the constituency I represent and in the constituency of Eglinton, where I live, many people were left off the list. I do not believe anyone called at my home at all, and there were many similar complaints in regard to the method of taking that census. If the government want to do the thing for representative purposes, let them start over again and do it right; a recheck as it were.

At the time of the baby bonus I had before the house a bill which was debated when the Prime Minister (Mr. Mackenzie King) was present, which suggested a real reform, to enable a referendum on matters of great national public importance like this. It was like the reform bill of 1834 in England, under which the agricultural and industrial classes of the mother country obtained proper representation, after a great fight. Here we have a resolution of the Minister of Justice which has grown out of the motion of a private member. It is a political bill. It is not in the interests of the constitution or of real parliamentary representation. It is a half-baked scheme that will lead to more disunity than anything else. You have to see the cause and effect in the country. Look at the improvements which have taken place in the province of Ontario, and for that matter in all the provinces. Consider what has been done to improve transportation since the first census was taken in 1871. Look at all the farming constituencies around the city of Toronto. They are practically urban constituencies. York North is right at the end of a bus line at Havergal college. That is the case with York North, York East, York South, Peel, Halton and all the constituencies adjoining Toronto. It is the case around Hamilton, Guelph and London, right on up to Sarnia and Owen Sound. It is the case with the constituencies adjoining the great city of Montreal, the city of Quebec and other large centres throughout the country. What has been the reason? Good roads; good transportation; cheap light and power; rural electrification, and so on. These things have changed the whole situation as far as the census is concerned, and former rural ridings are now suburban. Let us have real representation by population. That was a good doctrine in the days before confederation, a clear Grit doctrine of representation by population, but the people are having their eyes opened in regard to what this parliament is doing. They had the same sort of discussions in Edmund Burke's day, when he was a member of the house and laid down the duties of a member of parliament, which is the law to-day. Let me read a few paragraphs from what he said, because he and others of similar views brought about real reform in the mother country. What does he say about the duties and functions of a member of parliament? This may be quite a myth now, but I was glad the Minister of Justice quoted it last year, as I have quoted it on many occasions:

> Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasure, his satisfactions, to theirs; and, above all, ever, and in all cases, to prefer their interests to his own. But his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you—to any man, or to any set of men living.

This was at a time when some of the electors of Bristol tried to instruct him as to the duties of a member of parliament and how representation there was to be conducted and carried on. He went on to say:

> These he does not derive from your pleasure; no, nor from the law and the constitution. They are a trust from providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving, you if he sacrifices it to your opinion.

What have we in connection with this bill? We have one legislature passing an act directing its representatives in parliament to do certain things here contrary to what the Minister of Justice set out in his admirable address. The right hon. gentleman always speaks with a great deal of force and with moderation.

He referred to the fact that under section 91 this parliament has certain functions and under section 92 the provinces have certain functions. In conclusion, Burke said:

> Parliament is not a congress of ambassadors from different and hostile interests, which interests each must maintain, as an agent and advocate, against other agents and advocates; but parliament is a deliberative assembly of one nation with one interest—that of the whole; where, not local purposes, not local prejudices ought to guide, but the general good, resulting from the general reason of the whole.

How true those words are to-day, in 1946.

> If the local constituent should have an interest or should form a hasty opinion, evidently opposite to the real good of the rest of the community, the member for that place ought to be as far, as any other, from any endeavour to give it effect.

He went on to say that once he became the member for Bristol he was a member of parliament, and must not consider sectional interests. I have referred to that in connection with a motion in the house on this particular question, and I have pointed out where, as representatives of the people in parliament, our rights and privileges have been taken away.

On September 11 of last year I made reference to this point. I believe I was the first to refer to this vicious control system which has crept into our parliamentary form of government. I said:

> For years past we have been told, by Mr. Churchill in the British House of Commons, and more or less by our own Prime Minister here, I believe, that once the war ceased these controls and other war expenditures would cease and we would regain what we, the high court of parliament, surrendered when the war broke out, namely control of expenditures. At the present time we have virtually no control. All kinds of bodies, over the head of parliament, are spending money like water. Every principle for which the British nation struggled in the old land since the seventeenth century has been surrendered to the political caucuses. Parliament itself, which came into being to ensure that taxes shall be voted only by those who have to pay them, has become the institution through which those who do not pay them impose them on others.
>
> I want to emphasize to the committee that powers of legislation older even than the right of taxpayers to determine the national expenditure have been surrendered, and if we are to continue this sort of thing the power of parliament will be gone forever. Whole spheres of activity, involving the livelihood of every man, woman and child in this country, have been removed from the jurisdiction of the law and of parliament and reserved for the determination of tribunals, irresponsible, irremovable, governed by no control and subject to no appeal.

I object to this and I want to restore to parliament its rights and privileges. Parliament is supreme, and it should have control over these outside bodies. So much for that.

I wish now to refer to two or three other matters, and then give way to other hon. members who may wish to speak. We must not forget the way the census was taken. They propose now to have some sort of ready-made representation in which one province would benefit at the expense of the others. Well, if you want to start this thing, I can tell you where it will lead to. It will lead to an abolition of the principle of having sixty-five members for Quebec, and dividing it into their population to apply to the other provinces in proportion to their population.

You will not have in this country any longer one province the representatives of which will continue to urge all the things they have urged since the beginning of the session, small secondary matters which do not result in any effective legislation. We shall not have government of the people, for the people and by the people.

It is the duty of the government to look after the health, wealth and prosperity of its people. Matters have been introduced to this discussion which to my mind are irrelevant. When the resolution was introduced reference was made to a private member's resolution made at the last session, concerning which two of the younger members from Quebec spoke. I do not wish to criticize them in any way, but I would point out that at that time it was proposed that we should have a certain form of representation along the lines indicated.

However, the minister did not like the wording of that resolution. Who did like the wording of it? Who likes the wording of this resolution? Does Ontario? I can tell you about Ontario. Ontario is the forgotten child of confederation. In my city of Toronto we do not have representation of the population at all. We have not had a single cabinet minister since 1935, although we pay almost 29 per cent of the cash taxes of this country. There was a time when we had three or four cabinet ministers from the Toronto area. That was the condition when I entered the house, as the representative from a constituency north of Bloor street, reaching from the Don almost to the Humber, and numbering between 120,000 and 125,000 people.

But to-day we do not have representation by population. The city of Montreal has it. They have fifteen or sixteen splendid members from Montreal island. I wish we could receive the same treatment in Toronto. But I repeat that when I first entered the house we had three or four cabinet ministers. When I came to Ottawa I was mayor of the city. I did not want to come here in the first place, but I

came in an effort to get something for the soldiers, and to secure federal assistance for the cheap light and power movement.

With regard to this particular form of representation, while one province may be treated in one way, and another province treated in another way, the people will not stand for it. This whole doctrine in this resolution is a mistake. Despite all that has been said in this chamber since the opening of the session, not one word has been said with respect to the taking of the census. The government had no policy back in 1943 regarding census and redistribution.

What did they do? They went overseas and begged the mother of parliaments to be good and kind enough to pass an amendment to the British North America Act, and all that kind of thing, to postpone redistribution until after the war. The minister has referred to section 51 and a case which came before the courts involving Prince Edward Island, which had overrepresentation.

We were promised at the time of the last two elections that there would be senate reform, and we notice in the minister's speech, when introducing the resolution, a further reference to senate reform, and the number from each province. It is, I admit, badly needed. They are here to-day and gone to-morrow, and are always criticizing this chamber. I am referring to the people in another place, to whom the minister has referred. I have to refer to it as "another place"—because it is another place, and has been all the time. However, I am not criticizing them. Indeed, on ten or twelve occasions in this chamber during the war I urged that more work be sent to that other place because there are a large number of men there of great ability, and the Prime Minister promised consideration for my suggestion.

I will admit they do a good deal of work in connection with divorce bills. I am a believer in the second chamber; I want it to be given real work, but I want a real, up-to-date second chamber, one which will do some work, and not always be criticizing this house. The Minister of Justice and Attorney General of Canada is the keeper of the king's conscience. I know the minister has some conscience, and as a leader at the bar he has given special pleading for this bill, as have others who have spoken.

I have listened to two addresses to-day, two essays which were read, both of which pleaded somewhat the legal situation. The public in this country want real parliamentary reform. First of all, we must rid ourselves of these controls, restore the rights and privileges of parliament, and have some system of electing members other than we have at the present time.

Let us for a moment look at the election returns since confederation. Have we representation by population? We shall see that some of the ridings were formerly rural, but now they are completely suburban. One can get into a bus or motor car, and within an hour's time or less be at points within a radius of fifty miles of the city. With good roads, electric buses, to which the city of Toronto has contributed greatly, and with the sewers and other public utilities, in light, power and radials, which that great city has given to the working centres, many of the outlying areas have come closer to the city. Guelph, Hamilton, Barrie, Owen Sound and London are in a similar position. They are not in rural ridings as in the olden sense.

The whole situation has been changed, because nature is changing all the time. This is not a static world. Times change; conditions change; labour conditions throughout the world are changing. "Change and decay in all around I see"—in the house and out of it. Labour is cheap in some places and dear in others. Some new invention may come along and change the whole situation. That has been the case with the last two or three censuses. Great economic changes have come about in that time.

They presented a petition to His Majesty and to the parliament of Great Britain. The government said that it is not the government that controls redistribution, but you find out about that around election time. You soon find out that it is the government of the day that controls the authorities. As I said yesterday, the government are continually trying to keep themselves in office under the present antiquated, dilapidated and outworn representation system which was set up years ago. The best Conservatives that I know of are to be found on the government benches; you will find there some of the best Tories that were ever known. I know a great many of them and I have a great regard for them. I do not take my duties too seriously and I do not like to say anything to hurt a man's feelings.

Where are we going? After all, the mother country saved our shores from the awful horrors of war. But for her the enemy would have come over here and taken the best of our men to work in the mines of Czechoslovakia and other places. After all that was said in this house about the mother country and Great Britain, where are we going now? I was very glad to see the Attorney General of Canada receive the honour he did. He

works very hard and he is a gentleman of considerable courtesy and ability. He may have seen somebody with regard to this legislation when he was over in Great Britain; I do not know. Let me tell him, however, that Ontario, Quebec, Nova Scotia and New Brunswick will have something to say about this proposed resolution, and it cannot be passed by the parliament of Great Britain without their consent.

After all is said and done, the British North America Act as it has been used in connection with this parliamentary reform resolution is full of inconsistencies, contradictions, duplication, provisos, exceptions and qualifications. Every means have been taken to secure federal authority. Federal power in Canada is at its lowest ebb since confederation. Federal power is being administered from the provincial capitals, not from Ottawa. That is what they tried to do in 1927 and at that time they were in power in nearly all the provincial capitals. We want a British North America Act for the living, not for the dead. There were no so-called experts in those days. The drafters were only ordinary lawyers.

I wonder who drafted this resolution and the proposed bill? I remember a parliament, called the unlearned parliament in history, that met at Coventry in 1344 to discuss parliamentary reform. They decided that there should be no lawyers or sheriffs in it; they did not want any lawyers there, and the sheriffs were too busy executing their people. It was said in 1344 the lawyers were not wanted because they were too busy with the idea of getting some customers or clients. However, no doubt they do it for nothing. The Minister of Justice and the law society of to-day know more about that than I do, or than they did in 1344. I have never been before the law society, although I have been a member of the bar for a good many years.

The people in the constituencies back home will not be satisfied with the view that has been given. The Minister of Justice mentioned the senate several times. Representation there was changed so that one province had four senators, another province had a few more and so on. The representation was arranged in geometrical and arithmetical progression. Each province has so many more than the others. When they get over to England, what is the government going to do? I think the mother country has enough to do to look after conditions over there without being bothered by us.

First, let us do something primary. Let us regain our real representation; let us recover the rights, privileges and functions which we used to have in olden days. Let us go farther and see to it that there is equality of treatment and that we have a real system of representation. The last census caught Ontario napping. Thousands of its citizens were out of the province. There were two regiments in Bermuda and Jamaica. I have looked over the census list and have found a great many mistakes. This resolution should be held over for at least a year.

I believe the system is all wrong. It is not electoral reform. If the government want a real electoral reform, let them bring it down instead of bringing down electoral reform for some constituencies and not for others. We should have real representation by population in parliament. Let us put a fair construction on section 51, not the construction put on it in the Prince Edward Island case by the law courts. After all, this is the high court of parliament. The courts of this country are subservient to the legislature. That is one of the cardinal principles of our constitution. If we do not like what the courts do, we can change it. The court that gives substantial justice is the privy council. I believe a litigant can get justice over there. Had it not been for the decisions of that great body, we would not have had the great publicly owned power system in Ontario, nor would there be so many privileges enjoyed by urban workers and farmers and the public generally throughout the province.

I want to see the province of Quebec have justice. It is a great province. It stood by the mother country in other days. As Sir Eugene Tache said, "In defence of Canada the last shot will be fired by a French Canadian." I do not believe it was the view of the fathers of confederation that we should have a makeshift system that would be under the control of the government of the day which has only a slim majority. It has to advocate a great socialist programme in order to keep itself in office.

I urge that this whole matter be shelved for another year. We should not bother the mother country at the present time about our domestic affairs because she is so busy with many local problems. I did not wish to take part in this debate but I believed it was my duty as a representative of the people to do so. Ontario has not sufficient representation in the cabinet and yet she pays 29 per cent of the taxes. That is not real representation by population, at all. There is no such thing as a pure Grit on the government benches. I admire a pure Grit. I remember the other day seeing the grave of Robert Baldwin in the cemetery. He was a clear Grit and for representation by population.

When Baldwin was beaten in York, the great grandfather of the member for Temiscouata (Mr. Pouliot) gave up his seat in Rimouski to Robert Baldwin, who sat for it instead. I am sorry that the present member for Temiscouata does not speak for real electoral reform. This is not a system of reform; it is a scheme. Perhaps I should not even call it a scheme; it is a resolution. They are going over to beg at the foot of the throne for some further legislation to save the government. After all they said about the authorities over there, they are going back again. This is not the first time; this is not the second time; this is the third time we have sought British North America Act amendments—three strikes and they are going to be out, as it was in the ball game they played out here last night. They have had three trips over there for British North America Act amendments to beg at the foot of the throne for some other system of reform. No doubt this will please some of the newspapers. You do not read much about it in some of them because no doubt they have been putting the soft pedal on this debate and favour this resolution.

The people in the county of York and other counties of Ontario are going to object to this resolution. The province of Ontario is willing and ready to do its duty to confederation, and it wants no favours that other provinces do not get. It wants the system of confederation continued as the fathers of confederation framed it—all for each and each for all—and a fair and just representation.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I think I should place on record the stand of the Social Credit group with regard to the resolution that is now before the house. I would have spoken this afternoon but I yielded my place to the hon. member for Charlevoix-Saguenay (Mr. Dorion), who wished to make his contribution before six o'clock, at which time I understand he had to leave the city.

I have given earnest consideration to the resolution and, generally speaking, I find its provisions are not at all unfair or unjust. I have debated in my own mind, of course, the wisdom of using the 1941 census as the basis for redistribution because of the dislocated population which Canada had in that year, but after careful consideration of all the facts I am convinced that we cannot use that as a successful argument for not proceeding with the redistribution. It would be better in my judgment, if it were possible, for us to withhold action until after the 1951 census, but I recognize that the constitution provides for redistribution after each decennial census. Hence we cannot, perhaps I should say we should not, attempt to hold another election without complying with the terms of the British North America Act.

My studies have convinced me that the proposed change in the British North America Act envisaged in this resolution will remove a number of the anomalies that have existed for some years in Canada with respect to our electoral distribution. I have never favoured any province having any more members in the House of Commons than its just and proportionate share. Everyone knows, of course, that under section 51 as it has stood for some years some of the provinces have had more than their just and proportionate share. But I must criticize the arrangements set out in the resolution on the ground that they are not consistent.

It seems to me that when we set out in any action of this house to remove injustice and anomalies from our present way of allocating members to the provinces of Canada, we should do a complete job of it and not leave any province with more members than her population would entitle her to. By the proposed changes provided for in this resolution to section 51 of the British North America Act we do not do a complete job.

It is pleaded, of course, that we must not reduce the House of Commons representation for any province below the number of senators that the province enjoys at the present time. My answer to that is this. Let us then reduce the number of senators to the rightful level while we are at it. Or perhaps, on the other hand, representation by population should not be the only factor in the formula that is applied to determine representation in this house. If not, then I say, let us weigh the whole matter most carefully and it may be possible to find some other factors to be used along with representation by population in a formula, the application of which will yield fair and just results in every province. But as long as exceptions to the general rule exist we shall continue to have a source of discontent and disunity within this Canada of ours.

I am anxious to find a way to give the other provinces a more even voice in the affairs of this country with the central provinces of Ontario and Quebec. There has always been under the British North America Act as it now stands, a preponderance of voice on the part of these two central provinces, and a great many injustices have continued for many years chiefly because of that uneven distribution of voice. If it is at all possible to find a way of evening things up, then I certainly would like to find it.

The debate thus far, to which I have listened with great care, has revealed the fact that the Liberal party and its spokesmen through the years have been anything but consistent in matters affecting amendments of the British North America Act. They have shifted their ground to suit special occasions as they arose. That is quite evident from the information given by a number of speakers this afternoon. However, it seems to me that the constitutional issue has arisen as the battleground in this debate and therefore I should like to state just where I stand with respect to that issue.

Social Crediters have always been known as decentralizers. They have always been consistent in arguing for, speaking for and pleading for decentralization, and they have had good reasons for that. It has not been for lack of vision—not at all; in fact it has been the contrary. However changeable has been their past, it now appears that the C.C.F. and the Liberals are centralizers, and in saying that I do not believe I am saying anything they would disagree with.

Not only that, but Social Crediters have always been consistent in their stand with regard to the British North America Act. We have fought to prevent hasty and radical changes to that act. We have fought constantly to preserve every safeguard that we had against hasty and radical changes to our constitution. We have not fought change, for we know that there is no more inexorable law than the law of change and the need for change and progress. I remind you, Mr. Speaker, that when the Rowell-Sirois commission was planned, the Alberta government, the only Social Credit government in the world, headed by the late Premier Aberhart, requested the Prime Minister of Canada (Mr. Mackenzie King) to set up for that commission an agenda which would include more than just financial references. He went so far as to suggest that there be added to the agenda for full discussion amongst the provinces and the dominion the matter of amendments of the British North America Act and that a procedure be arrived at by which those amendments would safely be made. But that was refused. The Prime Minister insisted upon the reference of the commission being purely a financial reference. Later, Premier Manning of Alberta wrote to the Prime Minister suggesting that the agenda for the coming dominion-provincial conference provide for a discussion of amendments of the British North America Act. He felt that any proposals for changes in the act should be brought before the provinces while they were in conference.

Social Crediters have always held the view that confederation was a matter which arose, or was supposed to have arisen, out of the action of the provinces and that whatever powers were given to the central government were conferred upon it by the provinces. Therefore we have contended that there should be no material alteration in the British North America Act without consultation with the provinces.

I have always considered it to be the greatest responsibility of the members of the House of Commons to confirm every Canadian in his own rights. This can best be accomplished by decentralization. Centralization of power will in time destroy any possibility of so confirming every man in his rights, whether it be in Quebec, Alberta, British Columbia or any other province. There has been for some years a strong movement for centralization of power in this country and, I might say, also elsewhere throughout the world. In fact, some elements have spread throughout the land the doctrine of the inevitability of centralization. Social Crediters have done their best to combat that doctrine, which we contend is inimical to the interests of the individual citizens of Canada. The best guarantee we have against complete centralization of power in Canada is the constitution, the British North America Act. The best guarantee that the rights of minorities will always be respected is the spirit of that same constitution. The best assurance that the constitution will remain a safeguard of the rights of minorities would be to lay down, once and for all, a procedure for amending the constitution, a procedure which breathes the very spirit in which the constitution was originally framed. The foundation of that procedure, ought, in my judgment, to be consultation with the provinces.

Mr. BRIDGES: May I ask the hon. member a question? What is the next procedure if the provinces do not agree?

Mr. LOW: I do not see how we could possibly argue that measures brought before this house should be passed by a majority vote unless we were also prepared to arrange that at such times as consultation on the part of the provinces is sought, the same should be had.

Mr. BRIDGES: May I ask the hon. member one more question? I promise that I will not ask another. Is it his view that no amendment of any kind of any section of the British North America Act should be made without the unanimous consent of the provinces?

Mr. LOW: I have not said anything of the sort. I did say before that no material amendments of the British North America Act should be sought without consultation with the

provinces. I said nothing about unanimous consent. The provinces in consultation would agree upon whatever procedure they thought best.

Mr. MICHAUD: Who is to determine what is material?

An hon. MEMBER: Apparently you are.

Mr. LOW: That is the responsibility of the members of this house, and that is what, I take it, we are now doing. I submit that it would be a simple matter to refer to subject of the present resolution to the provinces before the next election is held; that is, of course, unless the government has some secret plans to hold an election earlier than some of us think. We all hope that the dominion-provincial conference will reconvene at an early date; certainly it should reconvene before another election takes place. The whole matter of the procedure for making any change in the British North America Act should then be referred to the provinces and the dominion in their conference for their agreement, rather than that their agenda should be confined to financial references only.

I must emphasize that I do not wish to delay redistribution. Neither I nor the members of my group in this house have any such intention. I think this parliament will have to deal with it; I am speaking now of the twentieth parliament. But I am opposed to any frenzied haste in doing the job, haste such as we saw here in connection with the Dominion day resolution and the Bretton Woods arrangements, amongst others. There is time, I submit, to refer this whole matter to the provinces in session with the dominion before any election needs to be held. Let me suggest also, in fact let me emphasize that we cannot hope to bring about unity in Canada by allowing the federal government to go over the heads of the provinces and to do that consistently and constantly. No one can argue successfully that there is not need for unifying influences in the country, influences which will improve the relationships amongst the provinces so as to achieve something like unity of our people.

Before I close, let me say one word through you, Mr. Speaker, to my friends from the province of Quebec. Your province, it is true, stands to gain most as a result of the bill which will be brought in as the result of this resolution. That being the case, it seems to me that you are in the best position to give a real object lesson to the Dominion of Canada. You are in a position, by supporting a request to have this whole matter referred to the dominion-provincial conference for consultation, to assist in bringing about real unity in this dominion, rather than hasten into something about which some of you may later have time to feel somewhat badly. There will come a time, I am sure, when, if we now lay down one more good argument for parliament to use in future, an argument based upon precedent, you will be faced with something which may cause you to rue the day when you passed this resolution without giving due thought to consultation with the provinces. Members from the province of Quebec have an opportunity now to strike a blow for unity and good feeling amongst the people of this country.

May I just add that I am not supporting the Conservative party in supporting their amendment, or, indeed, any party; I am trying to be consistent with the beliefs which I have always held and with the principles for which social credit stands. I find myself under the necessity of supporting the amendment which was proposed by the hon. member for Lake Centre (Mr. Diefenbaker), solely because it coincides with my belief, but in doing so I would make it abundantly clear that should we be unable to convince hon. members from the province of Quebec that it is their duty not to rush into this thing with undue haste, and therefore the amendment be defeated, I shall have to give support to the resolution of the Minister of Justice (Mr. St. Laurent).

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, the proposal now submitted to parliament for approval evinces consummate skill. Its sponsor has forestalled any possible opposition to the measure. He has assuaged the feelings of the people from all parts of this country. This proposal provides for an increase from 245 to 255 in the number of representatives in the House of Commons. For that purpose, he requests that section 51 of the British North America Act, 1867, be repealed and that the following be substituted therefor:

1. Section fifty-one of the British North America Act, 1867, is hereby repealed and the following substituted therefor:

51. (1) The number of members of the House of Commons shall be two hundred and fifty-five and the representation of the provinces therein shall forthwith upon the coming into force of this section and thereafter on the completion of each decennial census be readjusted by such authority, in such manner, and from such time as the parliament of Canada from time to time provides, subject and according to the following rules:

1. Subject as hereinafter provided, there shall be assigned to each of the provinces a number of members computed by dividing the total population of the provinces by two hundred and fifty-four and by dividing the population of each

province by the quotient so obtained, disregarding, except as hereinafter in this section provided, the remainder, if any, after the said process of division.

I would be the last one in this house to oppose the carrying out of an act of justice toward each of the Canadian provinces. The latter are entitled to their respective representation in this parliament. This redistribution should have come long ago. If there is a province which has not been treated with fairness, as far as its representation is concerned, it is certainly the province of Quebec. Under this measure, Quebec would have eight more members. This should not be considered as a concession. It means the recognition of a right. Each province has the duty to assert the rights that have been guaranteed to her by the constitution. The dominion government, in turn, has the duty to respect the jurisdiction and the rights of the provinces. Since 1867, the constitution has often been infringed upon for the benefit of the central authority. To-day, we are asked to change a contract without the contracting parties having been consulted. It would have been easy to grant each of the Canadian provinces her full influence in the dominion parliament without any change in the constitution. My view in this respect is confirmed by the third paragraph in the preamble of the resolution which we are now considering.

It reads:

And whereas the said act provides for the readjustment of representation on the completion of each decennial census, and that on any such readjustment the number of members for a province shall not be reduced unless the proportion which the number of the population of the province bore to the number of the aggregate population of Canada at the then last preceding readjustment of the number of members for the province is ascertained at the then latest census to be diminished by one-twentieth part or upwards;

I was right in saying, at the beginning of my remarks, that the government have shown consummate skill in drafting the present resolution. They manoeuvred in such a way as to quench the least opposition on the part of provinces losing members in parliament. They lessened the reduction in the representation of two provinces to a minimum and at the same time abated any opposition to their scheme. They could have achieved the same ends by sticking to the letter of the constitution. But Ontario would lose eight members and the other provinces a total of ten, while Quebec's representation would not change. The total number of federal members would fall from 245 to 227.

But the population of Canada has increased greatly since Confederation and I think it would be unreasonable and unfair to work on this basis of representation. I am in favour of the bill, provided that provincial rights are protected. Their constitutional prerogatives must be fully respected. But I refuse to believe that we shall never see the day when the dominion government will give back to the provinces their respective rights, guaranteed by the British North America Act. The time has come when provincial jurisdiction over taxes, education, civil rights and legislation must be respected. The time has come also to restore parliament to its supremacy, encroached upon by all kinds of boards not answerable to the people. It is no use increasing the membership of this house if our mandate is taken over by a bureaucracy which has substituted itself to the representatives of the people.

The plan before parliament reminds us of a very humiliating condition. We have never ceased to be a colony. As a matter of fact, the London parliament will decide whether or not we shall amend our constitution. I submit that it is a shame, in view of Canada's heavy share of sacrifice and all the help we are still contributing to the United Kingdom. But who governs here? Is it London or is it Ottawa? What a shame for a country that has shed its best blood and shaken its economic structure for the sake of United Nations victory to apply to the British parliament because we lack the power to amend our own constitution! How disgraceful and humiliating for a nation!

But I know of some who will gloat at the thought of our begging on bended knees from the British house of commons the right to amend the British North America Act. They are the selfsame people who, for five weeks, opposed Canadian citizenship; who, in another place, opposed Canada Day, and who tomorrow will fight to the last ditch against the adoption of a Canadian flag.

Why does not the government put an end, once and for all, to this antiquated colonialism, so that Canada may never again suffer such humiliation? Why not ask the provinces, rather than the British house, their consent on the right and opportunity to amend the constitution? Paltry interests and ulterior motives rear their heads in this matter of national concern. Infringements of the constitution have become innumerable. And those infringements have been committed without the consent of the provinces. Breaches of contract invariably stem from an essentially evil prin-

ciple. The government should not have to apply to London. London was not a party to the confederation. The contracting parties are the provinces which signed the British North America Act. Why were they not approached beforehand? Why are they not consulted? There are people who never stop advocating good understanding and national unity; but when the time comes to act they always act in the sense of misunderstanding and disunity. I ask the government what are you seeking in London? A concession? The exercise of a right? As for the Right Honourable Prime Minister (Mr. Mackenzie King), where is he now? His ministers are doubtless anxiously awaiting his return. I had hoped, with so many others, that his long stay in London would have spared us this humiliating request to the British house, and that he would bring back with him the original draft of our constitution, which is kept over there.

We shall not be our true selves until we abolish appeals to the Privy Council, until we can amend our constitution without currying favour from anyone and until we can hoist a truly distinctive flag. But since it is so difficult in Canada to exercise the right of self-government, I feel it my duty to support the government on this measure, provided it manages our affairs without the interference of foreign countries. As all human laws, this one is imperfect. However, I wish to avoid that at some future time, it may be said that I did anything to decrease the influence of my province in this house. Time will improve this project. I endorse it as far as it is fair and beneficial for Quebec and all other provinces of the confederation. I also endorse it because if minorities were to forsake their rights, they would lose them irretrievably. In 1943, I opposed the delay in redistribution for the sake of the very principles on which our constitution is based. I foresaw a grave injustice to my province. I felt that our rights were infringed upon by such a delay. True, at that time, as at present, an amendment to the confederation act was contemplated. Ever since, we have suffered a real handicap because we did not have in this parliament, the full representation to which we were entitled. We are not overly surprised by the fact that, in this house, a group of politicians, ever the same, lead the fight against the claims of minorities. For over twenty years, I have been here a witness to this pitiable exhibition. However, this very same group of politicians claim to be the champions of right. I know them for having seen them at work. Champions of right they are not; rather pillars of the empire. I shall carefully avoid the path that leads directly to the forsaking of our rights to the advantage of those very men who never miss a chance of reproving, by gesture and word alike, any measure leading to a slightly fairer treatment of minorities or to a loosening of our colonial bonds. Although consultation with the provinces, on this matter, would have been preferable, I shall support the motion in the interest of the province of Quebec, whose influence should increase in every part of Canada and more particularly in the House of Commons. I want justice for all, with true respect for provincial autonomy and representation. All should be treated alike. The number of members elected to parliament should be according to the population of the country, I also want all Canadians to possess those qualities of fair-mindedness and patriotism without which we can never be a great nation.

The hon. member for Lake Centre (Mr. Diefenbaker) made a masterly speech. But although he opened to our view some splendid vistas, he kept in the dark others even more imposing. He recalled for our benefit the solemn statements of men who made Canada famous both nationally and internationally; but even though they were builders in many spheres of our political and social life, they failed to achieve that which has eluded us since confederation, that is, to make Canada free and independent with regard to both her foreign and domestic policies and create a Canadian mentality capable of withstanding the assaults of colonialism and imperialism. During my lengthy career, I have fought on so many constitutional issues that, looking back into the past, considering the present and peering into the future, I wonder whether we shall ever be able to proclaim ourselves a nation. How difficult it is to call ourselves Canadians in this country! Shall we always follow in the wake of the empire? A few days ago I heard in this house invidious words during the debate on Canadian citizenship. A few moments ago I heard similar utterances in connection with our constitution. When shall we be able to hold up our heads and assert ourselves? When shall we be in a position to amend our own constitution without requesting any permission from London? Everywhere our actions stamp us as an immature nation. We are a country without a flag and I would even say without a constitution, since our constitution does not belong to us. It cannot be called ours. We have no right to use it as we see fit. London has the first say in regard to Canada's constitution. The British House of Commons may say to Canada: "Hands off this docu-

ment. You have no right to amend, modify or change it. We are the masters." Do you realize how dependent we are? This unspeakable situation must be remedied without delay. Let us free our Canadian constitution from all parasitic influences. Let us abolish appeals to the British Privy Council. Let us hoist a Canadian flag. Then and then only shall we rightfully claim that Canada is a nation.

Mr. JOHN R. MacNICOL (Davenport) (Text): First, Mr. Speaker, I want to pay tribute to the hon. member for Lake Centre (Mr. Diefenbaker) who this afternoon demonstrated that he is a big man. He could have easily taken the view that was taken by the hon. member for Chambly-Rouville (Mr. Pinard), who made me think of a small boy looking in the window of a candy store; if he could only get at the bullseyes and chocolates in there he would be thoroughly satisfied. The hon. member sees, as he imagines, eight more seats for the province of Quebec if redistribution goes through on the basis of the present resolution. But the hon. member for Lake Centre gave a studied, reasoned argument as to why the resolution should not be adopted. It would have been more to his advantage to have the resolution pass in its present form than to the advantage of the hon. member for Chambly-Rouville, because Saskatchewan is due to lose four seats if redistribution is carried out as proposed. I like a man who will stand up and argue a point of view. He realized that this form of redistribution would make it much easier for him, but he was fighting for a principle. So that I say the hon. member for Lake Centre is a big man. As I see it, the house has before it only two choices: (a) to pass the resolution and (b) to accept the amendment, and to consult the provinces as the government should do. If I can judge from what I read in the press I should think some of the provinces, particularly the province of Quebec, will not likely give much support to the resolution. I should expect that, if the premier of Quebec expresses the attitude of those he represents.

Then we would come back to the other position. I would presume we would have to pass through the house quickly a measure asking the British government to postpone redistribution until after the census in 1951. I am going to do my best this evening to set forth an argument as to why the resolution should not be passed, and why there should be no redistribution until after 1951, a matter of only five years more.

I said that the British North America Act could easily be amended to permit postponement of redistribution until after the next census. What is behind this resolution? Why is the government not proceeding with redistribution in the regular way? This is the first time in seventy-nine years any government in Canada has attempted to violate the British North America Act, as this government proposes to do at this time. What is the reason for changing the basis upon which seats are now established?

That basis is set forth in section 51 of the British North America Act, a section which is the foundation and copestone of the whole British North America Act. If that can be violated, then, later on, a majority can violate any section in that act.

I say it is unfair to have a redistribution on the basis of the present census. I see the minister—

An hon. MEMBER: Of fisheries.

Mr. MacNICOL: No; I was not looking at the Minister of Fisheries (Mr. Bridges). He has not been here long enough to know much about these matters. Rather, I was looking at the Minister of National Defence (Mr. Abbott) who was smiling.

Mr. ABBOTT: Oh, I always smile when my hon. friend speaks, because I enjoy his speeches so much.

Mr. MacNICOL: Thank you very much.

Mr. BRIDGES: I think we all do.

Mr. MacNICOL: I shall try to show that redistribution should not proceed on the basis of the 1941 census. In 1941 this country had been two years at war. We had fought during the remainder of 1939 and throughout the whole of 1940. When the census was taken in the middle of the summer we had been two years at war.

I shall try to show that redistribution should not proceed on the basis of the 1941 census. In 1941 this country had been two years at war. We had fought during the remainder of 1939 and throughout the whole of 1940. When the census was taken in the middle of the summer we had been two years at war.

Referring specially to the publication "Canada at War", for 1945, I shall place on record the number of enlisted men in 1941 in the armed forces. First, I shall take the total number for 1945, shown here as 992,103, of whom Ontario contributed 390,007, or 40 per cent. Then I go back to the number who were in the armed services in 1941 and, in the same issue I find that the number of enlistments stood at 364,000. Ontario's portion of that, at a rate of 40 per cent, stood at 145,000 men in the armed services in 1941.

Although I cannot say I have personal knowledge of each of the persons in question, I can say definitely that from my own constituency there were thousands who had gone to Nova Scotia or to other points, possibly Goose Bay, although perhaps they would not take their wives to that point. I do know for certain, however, that from Ontario many of them went to the maritime provinces and did take their wives and their children with them. Those people were not in Ontario at the time of the census enumeration in 1941. I know I am safe in saying that, counting those who went to the Pacific coast and those who went to the maritime provinces and overseas, there were thousands who were dislocated. So that I say the dislocation of population in Canada in 1941 was substantial. The census enumeration of that year was a most unfair basis upon which to establish parliamentary representation.

Not only that, I know of many who came to my constituency from the western provinces of Manitoba, Saskatchewan and Alberta. I have in mind—and I shall not mention names—three ladies whose husbands had come to the east to work in war industry in the city of Toronto. These three ladies lived in the constituency of Davenport. One of them had a family of three children, or a total of five in the family. Another brought her mother with her and, counting her child, made up a family of four. The third was of a family of three. There were hundreds, perhaps thousands, of similar cases.

Later, I shall place on record figures showing the numbers who left Manitoba, Saskatchewan and Alberta. Many of them went to British Columbia and many others came to Ontario. Those enlistments materially affected the balance of population in the three western provinces.

I mention that because I do not believe the government would have attempted to bring in the resolution if two of the western provinces were not going to lose seats as a result of that census. But the government saw that the provinces of Saskatchewan and Manitoba would lose seven seats. The government anticipated support from members from Saskatchewan and Alberta, with the exception of course of the brave member who represents Lake Centre—

An hon. MEMBER: Brave?

Mr. MacNICOL: Yes, I say that. He stood up like a major-general this afternoon and defended a principle—and it takes backbone to defend a principle, at any time.

[Mr. MacNicol.]

The population was badly dislocated, and those two provinces, both Saskatchewan and Manitoba lost heavily. The result was that the government anticipated that it had friends who would reach out and try to grab or to hold on to the seven seats which they would not have, if redistribution proceeded on the present basis. The government expects support from that quarter.

If one examines the census returns of 1941, what does he find? He finds that Manitoba, Saskatchewan, Alberta and British Columbia are affected one way or another. In looking through this census I direct the attention of the house particularly to the age groups of 20-24, 25-29, 30-34, 35-39 and 40-44, the groups from which the working men are taken, or from which people were dislocated and came to Ontario, British Columbia or elsewhere. What does one find in these groups. He finds that of the four western provinces, British Columbia continued to advance rapidly, not in the aggregate, but in proportion to the other three provinces. For instance, in 1941 in the age group twenty to twenty-four years British Columbia had 69,247; Alberta had 78,358; Saskatchewan had 85,097 and Manitoba had 69,273. In that ratio British Columbia had the lowest number, but when you consider all those age groups you find that British Columbia had the highest number of the four provinces, that it had advanced more than any other of those four provinces in the age groups forty to forty-five, thirty-five to thirty-nine and thirty to thirty-four and it was only exceeded by Saskatchewan in the age group twenty-five to twenty-nine. What does that mean? It means that a great number of people in those age groups had left the prairie province, either to go into the armed services or to work in the factories of Ontario or British Columbia. The number of people working in factories increased considerably in those two provinces.

It is wholly unfair to have a redistribution that will so seriously affect the provinces of Manitoba and Saskatchewan. We should not base redistribution on a census taken when so many of their men either were working in war factories or had entered the armed services.

Mr. MITCHELL: They were in Ontario voting socialism.

Mr. MacNICOL: I will give you Ontario by itself. What was the result there? In 1939, prior to the war there were 400,000 unemployed in Canada, but in 1941 the number of those engaged in war work alone was 1,021,000. That showed a great change in what the populace was doing. As I said a moment ago, many of those workers came from the western provinces, particularly Manitoba and Saskat-

chewan, which provinces would stand to lose seven seats. I maintain that it would be wholly unfair to have a redistribution based on that situation.

The Minister of Labour (Mr. Mitchell) asked about Ontario. As the minister knows in his city of Welland, and as I know in the city of Toronto, large numbers from those provinces came to work in our industries. However, the population of the province did not go up as much as one would have thought it would considering the ingress of people from outside. The fact is that Ontario had 145,000 in the armed services, which was 40 per cent of all those in the services in 1941; Quebec had 17 per cent, and the other provinces had lower percentages. Because of the dislocation of population caused by those working in war industries and the dislocation of population through enlistments it would be unfair to redistribute seats on the basis of the census of 1941.

At one time our American cousins were in the very same boat. This is not a new thing because they have gone through the same experience. However, they handled it in a different way. They took a census in the United States in 1920, and had reapportionment of congressional seats taken place at that time it would have resulted in a number of states losing some of their representatives in congress. They refused to reapportion their seats, and I should like to quote what was said before a committee of the house of representatives which was set up to deal with the apportionment. This shows why reapportionment did not take place in 1920. One of the senior ranking investigators said this:

> Mr. Rankin: Let me make this statement for the benefit of members of the committee. I do this because I, more than any man alive, am responsible for the failure to reapportion congress in accordance with the 1920 census. That census was taken in the winter time, which was the first time such was done. At the time it was taken many of the farmers were more or less scattered, it was hard to find them, and therefore the census, in my opinion, was incomplete.

That is just the situation that prevailed when our census was taken in 1941; many had moved away.

> Again, it was taken when we were just emerging from the world war and when hundreds of thousands of former soldiers had not returned to their homes.
>
> As a result, if we had reapportionment according to that census, many agricultural states would have lost a portion of their representation, and a very large portion.

That is the same thing we are up against here. Because of the war two western provinces lost a large part of their populations. Following what they did in the United States, we should not have redistribution. They did not reapportion until after the 1930 census and in the meantime the population of the United States had increased by 30,000,000 from 1910. Were they unfair in not reapportioning? They did not think so. They had some consideration for those men who had not yet returned home by 1920 when the census was taken following the great war. They had consideration for the farmers who had gone to work in war factories.

Everyone in this House of Commons can read that the number employed in war factories was 1,021,000, according to "Canada at War", for 1945. Those people came from everywhere. I know that many went to the United States, because in 1941 that country was not at war and they paid higher wages. I am trying to show the house that we had the same condition here that prevailed in the United States when they refused to reapportion their congressional seats in 1920. They waited until 1930 before they did that. I consider that that was fair play; that was the right thing for them to do.

Someone asked about Ontario. As I said, the enlistments from Ontario were 145,000 in 1941, and this materially affected Ontario's population. Otherwise we would have advanced much more. These men were followed by many of their wives and, in some cases, their families and that affected the population of the province. It is for these reasons that we should not go on with redistribution.

As was said so well this afternoon by the hon. member for Lake Centre (Mr. Diefenbaker), so much so that I do not need to say much about it, if the government proceeds with this they will be opening the door for other violations of the constitution if and when some rabid majority gets into power, as may some time happen, and determines to change the British North America Act. Supposing such a majority wanted to change section 92, subsection 12? Subsection 12 of section 92 deals with:

> The solemnization of marriage in the province.

The provinces have control of that now, but there has been agitation for the Canadian government to have more control over marriage. Marriage is a contract. Can you change it just as you like?

Section 95 pertains to agriculture and immigration. It says:

> In each province the legislature may make laws in relation to agriculture in the province, and to immigration into the province.

The provinces are doing that now. But that could be changed. This government could take to itself of everything pertaining to immigration.

Section 98 says.

The judges of the courts of Quebec shall be selected from the bar of that province.

That is a special privilege. That also might be changed.

Section 133 pertains to the English and French languages. That might be changed too. I am one of those who believe that all these provisions in the British North America Act should be inviolable. I believe that these contracts which have been entered into with the province of Quebec and other provinces should not be changed. I do not believe that the province of Quebec would have come into confederation if they had thought that these contracts would be so lightly changed. I am a supporter of this clause preserving the use of the French language and of any other clause pertaining to the province of Quebec. But if you open the door wide to change, then, no matter what anyone else says, each and all of these provisions can be changed if you change the cornerstone and copestone which is section 51. Violate that and all the rest can be violated just as easily. I agree with the hon. member for Lake Centre that you have to go very carefully in making changes. It is a serious thing to violate the main clause of the British North America Act.

Representation by population has been mentioned in this debate. I am in favour of representation by population, if fair. I see that my hon. friend the member for Nipissing (Mr. Gauthier) is having a good laugh. But the premier of Quebec has announced his opposition to this bill, so that I am in pretty good company in opposing the bill.

So far as representation by population is concerned, are you going all along the line with it if you pass this bill? Let me give some figures to show how alleged representation by population is actually working at the present time. I think Canada is conspicuous throughout the world as one state where representation by population is not observed the least so far as the constituencies are concerned. I know no place in the world where there is less representation by population than in Canada. In Nova Scotia four constituencies have more than the quota of representation, and eight are under the quota. The highest number of people in any constituency in the province is 85,000, and the lowest, 27,000. You would not call that representation by population.

[Mr. MacNicol.]

In New Brunswick there are three constituencies over the quota, and seven under. The highest number of people to any constituency is 78,000, and the lowest, 24,000. You would not call that representation by population.

In Quebec twenty-seven constituencies are over the quota, and thirty-eight below the quota. The highest number of people to any one constituency is 93,000, and the lowest, 22,000. It does not seem fair to me that it should require 93,000 people in one seat to balance 22,000 in another seat.

Mr. LALONDE: That is why we want more members.

Mr. MacNICOL: That has nothing whatever to do with the matter. In Ontario there are thirty-four constituencies over the quota, and forty-eight under. The highest number of people to a constituency is 113,000, and the lowest, 19,000. There is little representation by population there.

Mr. GAUTHIER (Nipissing): Which constituency has 113,000?

Mr. MacNICOL: That is Nipissing. My hon. friend knows that because I told him that. That is why I often said that his predecessor should be given double the indemnity for having so many people to represent. It was not the fault of the last government. I did my best to provide Nipissing with two members, but for reasons that it is not necessary to go into now that was not done.

Manitoba has five constituencies over the quota, and twelve under. The highest number of people to a constituency is 71,000, and the lowest, 23,000.

Saskatchewan has three constituencies over the quota, and eighteen under. The highest number of electors to a constituency is 59,000, and the lowest, 33,000.

Alberta has five constituencies over the quota, and twelve under. The highest number of people to a constituency is 58,000, and the lowest, 26,000.

British Columbia has nine constituencies over the quota, and seven under, and the highest number of people to a constituency is 77,000, and the lowest, 25,000.

Nipissing is the constituency in Canada which has the highest number of people, 113,000, and the lowest is also in Ontario, with 19,000. There are ninety ridings in all Canada that are over the quota, and 150 below the quota. You will not find a situation like that in any other democratic country. We now have a chance to make a proper redistribution.

In Australia they work on a basis of five, seven and nine. That is, there are five voters in a widely extended riding like Cochrane, seven voters in a riding like South Ontario, and nine voters in the city ridings. Those nine voters in a city riding are considered equal to seven voters representing a riding that is partly urban and partly rural, and equal to five voters in a widely extended riding. I do not believe that we should change from such a basis in Canada at present, but after 1960 this country should get down to a more equitable redistribution.

In the United States their quota is 304,000 per seat, and they adhere to that as closely as they possibly can. Practically every riding in the United States is within measurable distance of the quota, a little above or a little below. The same applies to the main states of the union. They have no situation like we have in Canada, where one riding will have 113,000 people and another riding 19,000. Nor will you find that in England, where the quota is 70,000. I looked over the first 220 seats in the British parliament and they were comparably close to the 70,000. We have little like that here. So that we have a lot of work to do yet to give a reasonable measure of representation by population in the ridings.

In the United States they are drastic against gerrymandering. We have had a lot of ridings gerrymandered here. In the United States the federal ridings are determined by the states, not by Washington. The state governments appoint a committee which draws up the boundaries for the various federal seats and then they have to be approved by the supreme court of the state. It is shocking to think of what has happened in Canada. We have a great disproportion of representation in this country. How we are going to overcome it, I do not know. But that is one thing we should do.

I read an interesting bit of information about the state of Massachusetts when I was studying this question. I am not in favour of what they do in Massachusetts; I do not think we should do it their way. They base their representation on the voters' list. I had an interesting time in computing the results in the provinces of Canada if representation were reapportioned on that basis. As I say, I do not favour it because I do not believe it would give us the result we desire, although it would provide the same number of seats as the government proposes, namely 255. However, it was interesting to observe that other jurisdictions have troubles beside our own. Our difficulties arise largely from the way our seats are laid out. There is not much fairness, as I pointed out a moment ago, in a system which creates such a great disparity between the numbers of people residing in various ridings. A letter on this subject which I received from Pennsylvania indicates that they are not gerrymandering over there. The assistant director of the bureau of elections writes:

> It is my personal opinion that the legislature of Pennsylvania will be unable to favour one type of area over another type—

That is, they want the seats to be relatively the same population.

> —in the matter of representation in the legislature or in congress. I feel that such apportionment would violate both the federal and state constitutions.

By that he means that, as between a seat which has a population of 113,000, as Nipissing has, and one with only 22,000, like Argenteuil, there is such a disproportion in the value of each elector's vote that it does not seem defensible. As I have said, I am not in favour of a change which would cause a great deal of disharmony, but I believe we could reapportion representation on a basis of 5-7-9; that is to say, five voters in a wide open rural area to seven voters in a semi-urban and rural area, to nine in a city. At the present time we are altogether out of proportion.

I believe this matter should stand over until after the next census. What would we lose by it? The Northwest Territories would lose a seat, and I believe they should have one; how we could give it to them without redistribution I do not know. But there would not be very much change in the rest of Canada. If we go on with the bill what would be the result? Some of the western provinces will lose anyway. That Ontario will have one more seat is neither here nor there; that is a mere bagatelle. As far as I am concerned I am ready to accept what comes as a result of redistribution.

Much of the talk this afternoon seemed to me like an attack on Ontario. Well, we have not violated the constitution. We took what the constitution gave us. We were reduced to eighty-two seats and we have not made any fuss about it. Previously we lost ten, and we did not make any fuss about that; Ontario used to have ninety-two seats, but upon redistribution our representation in comparison with that of Quebec had to be reduced; it fell to eighty-six and then to eighty-two. That was in accordance with the constitution. Now, to avoid complying with the constitution, the government proposes to violate the British North America Act.

Mr. LALONDE: Not violate it. Just change it.

Mr. MacNICOL: It is a violation of the crown and pinnacle of the constitution, section 51, a straight violation of the British North America Act, and the main clause of that act, section 51.

Mr. LALONDE: An amendment, not a violation. There is quite a difference.

Mr. MacNICOL: It is a violation when you cannot amend it, and I do not believe the government have authority to amend it. To support my statement, I will read what Lord Atkin said. The quotation is as follows:

> No one can doubt that this distribution is one of the most essential conditions of the inter-provincial compact to which the B.N.A. gives effect. If the true position of Lower Canada alone were considered, the existence of her separate jurisdiction as to property and civil rights might be said to depend upon loyal adherence to her constitutional right to the exclusive competence of her own legislature in these matters.

Lord Atkin says that the British North America Act was a compact. Well, if it was a compact between the four original provinces of Nova Scotia, New Brunswick, Ontario and Quebec, by what right does this government violate it? This proceeding is nothing short of a violation. If, of course, this bill or resolution is submitted to the provinces and receives their endorsement, I shall have nothing more to say about it; there would be nothing to do but go on with the programme as outlined. But until the government obtain the consent of the provinces I maintain that they are violating—I use that word again—what is the cornerstone of the whole act, that is section 51, having to do with representation in this house. I say to my hon. friends from the province of Quebec that I had expected everyone of them to rise and take a stand such as the premier of Quebec is taking.

Mr. LALONDE: He is one of your good friends.

Mr. MacNICOL: I know nothing about his politics.

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: He is the premier of Quebec, at present in charge of that province; he recently won a by-election, and I believe he will win the one which is pending. Evidently he represents the people of the province, or he would not take the stand he has taken.

An hon. MEMBER: Oh, no.

Mr. WHITMAN: Elected on a minority vote.

Mr. MacNICOL: So I say that the government's action is a violation of the British North America Act, by which violation Quebec has more to lose than any other province.

An hon. MEMBER: You have said that so often you must be sure of it.

Mr. MacNICOL: I can repeat it many times and still be sure of it, because I believe it is true.

I feel the time has come to do a number of things which could be considered when, in due course, we are in a position to go into this whole subject. The Prime Minister and the Leader of the Opposition should both receive acclamations. It would be a good thing for the country if they did not have to fight a battle in their ridings, as the present Prime Minister (Mr. Mackenzie King) had to do at the last election; they would then be free to go around the country and enlighten the public as to their policies. Another matter which we might attend to is to rearrange our seats on a much fairer basis than at present, as they do in the United States. In many other ways we could usefully amend our present ways and methods of conducting our elections in Canada. The way many of the seats are laid out to-day is nothing short of a gerrymander, and it will not provide fair representation in this house. Therefore, I again say to the government, be careful. I say to the Minister of Justice (Mr. St. Laurent), since he is fathering the bill, be careful too. I ask him to follow the path that was so well laid out by the hon. member for Lake Centre this afternoon in the quotations he gave from other ministers of justice and leaders in this country, who, in regard to this particular section, kept their hands off the British North America Act.

By amending this section of the act you are opening the door to anything that might come along. It will serve no useful purpose to go much farther at the moment. In reorganizing our Canadian elections I was going to suggest that we might follow one good thing the province of Quebec has done. I do not know whether it was done by the present or the previous government; but when they call an election they appoint a deputy returning officer in each riding and the opposition party names the clerk. I think that is an amendment we could adopt. That, together with the reconstitution of our seats on the basis of five, seven and nine, or as closely as we could follow it, would result in a great improvement in Canadian political affairs.

Mr. F. W. TOWNLEY-SMITH (North Battleford): The discussions on this resolution and the subsequent amendment have been interesting so far, but they have been somewhat

philosophic or legal, or in some instances slightly prejudiced because of the home province of the individual who happened to be speaking. May I be allowed to crave the indulgence of the house to go a little further into the north country and deal with a part of our dominion which does not come in the public eye very often unless something extraordinary happens. I refer particularly to that part of Canada knows as the Northwest Territories.

There are four constituencies in Saskatchewan which run a long way north; mine happens to be one of them. It runs up to the sixtieth parallel, which is a long way north. Beyond that there is quite a large territory, possibly larger than many of us realize. As a matter of fact, it comprises 42 per cent of the total land area of Canada.

So far as this resolution goes, we are more particularly concerned at the moment with the number of seats which we may or may not get in our own particular province. That huge area of land in the Northwest Territories is represented in this house by just one member, and the people up there feel, and say, that they should have more than one member.

That great area is divided into four districts, namely, the Yukon, which is already represented in this house, the Northwest Territories which, in their turn, are again divided into three large districts, known as Franklin, Keewatin and the Mackenzie district. The Yukon district comprises something over 205,000 square miles. It is the smallest district in the north country. The Franklin district is 546,000 square miles in area; Keewatin, 218,000 and some odd square miles, and the Mackenzie district, 493,000 square miles. The total area of that northwest country is 1,463,593 square miles, or 42 per cent of all the dry land of Canada.

The Yukon has 1,730 square miles of fresh water, Franklin has 7,500 square miles; Keewatin, 9,700 square miles, and the Mackenzie district, 34,265 square miles. These figures are all taken from the Canada Year Book. I am dwelling on this because I want hon. members to realize just how much land there is in that northern part of the world. The area of that territory is twelve times that of the United Kingdom and one-half that of the United States. I repeat, that huge territory is represented by one member, the hon. member for Yukon (Mr. Black). According to the Canada Year Book, this member of parliament first took his seat in 1904. In 1940, 2,097 votes were polled out of a possible 4,914. The rest of the territory has a population of some 12,000, but has no representation. The people are now asking for at least one other member, who should represent the Mackenzie district.

A tremendous amount of wealth comes out of that area which we have possibly regarded as being arid, snow-covered and icebound. In 1941, a total of $9,500,000 was taken from that country in minerals, gold, silver, oil and other minerals, or $486 per capita. There is only one other province in Canada which approaches this figure, namely, Ontario, with $551 per capita. In that area they pay a yearly amount of something over $3,000,000 in salaries and wages. Over $3,500,000 were taken out in fur in 1943. Only three other provinces in Canada exceeded that figure. There are two huge lakes in that country, the Great Bear and the Great Slave lakes, each of which is half as big again as lake Ontario. The uranium deposits on the Great Bear lake have given that district world notoriety. It may well be that that area can be and probably is, if we only knew it, the most important district in the whole world to-day, because our information is that there is only one other place where uranium, the metal which is so valuable and so important in the minds of all peoples to-day, can be obtained.

The Northwest Territories are governed by a commissioner, a deputy commissioner and four councillors, who are appointed and who have their seat in Ottawa. These men are assisted by various departments of government, but they do not live in the Northwest Territories, and only occasionally do they get up there. Another significant thing is the fact that the stipendiary magistrate, the chairman of the board of trustees, the dominion land agent, the timber berth agent, the registrar of deeds and the mining recorder are all the same man. The residents of the Mackenzie district are not very happy about this; they feel the time has come for a change, and they certainly believe they should have representation in this house.

Another grievance is that they are taxed—of course everyone has that grievance—but they are not given representation, which is not supposed to be a good idea. They also claim that their exemption is no greater than that in force in other parts of Canada, though their living costs are greatly in excess of costs elsewhere. They say that living costs in the Northwest Territories are anywhere from 75 to 300 per cent higher than in other parts of the dominion. They also complain about fuel. In that country, where there is no wood, of course oil is important. When you get up to about 63 degrees north latitude you get pretty well out of the wooded belt, so that oil becomes of great importance for fuel. My information is that the Canol wells have been closed down. Apparently they now belong

to Imperial Oil, and the residents complain that there has been a severe shortage of oil in that area for the last two years.

In reference to transportation they complain that the roads are quite inadequate. There is one road in the making, the Grimshaw-Hay River road, which they do not expect will be completed until 1947, and in the meantime no provision has been made for linking existing roads with the Alaska highway. The waterways, such as they are, require dredging from time to time. They particularly mention Slave river and Great Slave lake as being in great need of dredging operations. Air transportation is apparently a monopoly of C.P.A., and they claim their rates are the highest in the country. For example, the single fare from Edmonton to Yellowknife is $126.50, which they complain is entirely too high. The postal arrangements will also bear some looking into: three days a week by air. They claim their position is unique in that parcel rates are higher than letter rates. There is no parliamentary franchise in that country. Though certain letters and papers may be sent from this house to other countries free of charge, if you want to send them to the Northwest Territories you have to pay for them. As I have mentioned, mining operations are going on up there, and they have a further complaint in connection with mine wages. They say that the federally owned Eldorado mine—and I hope the minister concerned will listen to this—pays the lowest hourly rates underground of any mine operating in that country. Negus, they say, pays $50 for a 48-hour week, while the surface and millworkers are paid a little less. My information also is that the mine managers are hostile to labour organizations.

As far as health and welfare are concerned, their hospital arrangements are inadequate. They have one 15-bed hospital at Yellowknife, with one doctor. Dental service is inadequate and expensive. The Dog Rib Indians, who live in that territory, are said to be poverty stricken. They are at a very low level of culture indeed, and apparently the government is doing very little to look after them.

I have gone through this outline rather hastily just to give a general picture of the situation up in that north country. They are asking for more representation at Ottawa than they have at the present time. They are mentioned very casually in the resolution. Apparently some thought has been given to joining the Yukon with the rest of the territories or any parts of the territories which do not belong to a province, and arrangements are to be made to provide one member for such district when it is set up. They consider this to be entirely insufficient, and ask that the government, and particularly the minister in charge of this resolution, give serious thought to providing a little more consideration for these people living in the Northwest Territories.

Mr. D. KING HAZEN (St. John-Albert): Mr. Speaker, I have no prepared address to deliver to the house this evening, and in consequence I shall not detain hon. members for any great length of time. However, I do not want this important resolution to pass without placing myself on record about it. I should like to point out that the membership of this House of Commons is based upon the principle of representation by population; yet as a matter of fact this principle has not been lived up to. Indeed, many of our principles and many of our sayings, while they sound well, have to be departed from in one respect or another. It is all very well to talk about representation by population or to say that all men are born free and equal, but as a matter of fact we know that such is not the case.

The principle of representation in this house by population has been departed from in several instances. For example section 51 (4), about which there has been so much discussion, provides for a departure from this principle. The act passed in 1915, which provided that the number of representatives in this house from the maritime provinces, as well as from the other provinces of Canada, should never be less than the number of representatives those provinces have in the senate, was another departure from that principle. The fact that we have a member from the Yukon is a further departure. If the amendment proposed in this resolution becomes law, we shall still not have representation by population, for it provides that the maritime provinces and the other provinces shall have at least as many representatives in this house as they have in the senate, and that representation from the Yukon shall be continued.

As a matter of fact, our representation is based upon other considerations besides that of population. We have, as I say, a member from the Yukon. The hon. member for Rosetown-Biggar (Mr. Coldwell) this afternoon suggested that we should have one from the Northwest Territories. I remember last session, or the session before, when this matter was being considered, that the hon. member for Rosthern (Mr. Tucker) speaking of repre-

sentation from Saskatchewan, suggested the principle that there should be not only representation by population but representation by areas or extent of territory. The hon. member who preceded me in the debate this evening, the hon. member for North Battleford (Mr. Townley-Smith), made a similar suggestion.

My reaction to this resolution, when I read it, was disquieting. It was disquieting for me to think that when the government comes face to face with a political difficulty it has to perform a major operation on the British North America Act, which is the foundation-stone of our constitution, in order to remedy that difficulty. Surely there must be some safer way, and therefore some better way of solving this difficulty.

If the government of the day—and it matters not what government it may be—comes up against a difficulty of this kind, and says to itself, "We will amend the British North America Act, and fix it up in that way," what foundation have we, or what feeling of security can we have in this country? It seems to me that every avenue should have been explored before taking such a drastic measure as that proposed in the resolution introduced into the house.

I support the view held by the hon. member for Lake Centre (Mr. Diefenbaker), that the British North America Act should not be changed without consultation with the provinces, or without the provinces being first consulted. That opinion, as the hon. member for Lake Centre pointed out, was the opinion expressed by Sir Wilfrid Laurier, by Sir Robert Borden, by the Right Hon. Ernest Lapointe and by many other prominent Canadians who have given careful consideration to the subject. The hon. member quoted several statements by these eminent men, and it seems to me they are food for serious consideration.

I hold in my hand, and I intend to quote it, a statement made in the debates of 1943 by an hon. member who at one time occupied a prominent place in the government of this country. I refer to the hon. member for Richelieu-Vercheres (Mr. Cardin). This is what he said at page 4356 of *Hansard* for 1943:

> Mr. Speaker, the resolution now being considered by the house contains in my humble judgment, a dangerous procedure to which the House of Commons should give serious consideration before adopting it in the form in which it has been couched on the order paper. For a number of years it has been admitted in all branches of public opinion that no serious change should be made in the British North America Act without the consent and approval of the parties to the contract. I admit that in the past the federal parliament has been dealing from the point of view of its own authority, and has been amending the British North America Act, without consulting the provinces, which are a party to that contract. But I repeat that at least within the last few years the opinion has developed throughout Canada that the British North America Act should be considered as a sacred contract among associates, those associates being the provinces, and that nothing should be done to modify it without the approval of the contracting parties.

I think it is quite clear that whatever powers the dominion government possesses were given it by the provinces. Perhaps I should modify that statement because we have an unwritten as well as a written constitution. But I can say that a great many of the powers the dominion government possesses were given it by the provinces, and that the dominion has no right to change the constitution without consulting the provinces.

Reference has been made in this debate to the Quebec conference and the Quebec resolutions of 1864, which followed the Charlottetown conference. To keep the record straight, and perhaps for historical reasons, I should like to point out that in 1865 the people of New Brunswick rejected the Quebec resolutions of 1864 at the polls by a very large majority. In the same year the province of Canada sent a delegation to London to ask the British government to force New Brunswick and Nova Scotia into a union with her based on the Quebec resolutions, which the British government refused to do and replied in effect that it would not sanction a union unless the provinces first arranged a properly authorized agreement of union.

In 1866 the newly elected legislature of New Brunswick passed a resolution authorizing the appointment of delegates to arrange a union under terms and conditions which would protect the rights and interests of that province with special reference to the Intercolonial railway. In the same year the legislature of Nova Scotia passed a similar resolution without reference to the Intercolonial railway. In December of the same year delegates of the four provinces met at the Westminster Palace hotel, London, came to a properly authorized interprovincial agreement and sent this agreement to the colonial secretary with the request for a conference with him.

Early in 1867 this joint conference was held with Lord Carnarvon as chairman, Lord Tring drafting the necessary legislation. In the same year the British North America Act 1867 and the Canadian Railway Loan Act 1867 were passed by the British parliament to give effect to the interprovincial agreement 1866—not the Quebec agreement, but the London agreement

—and at its first session the federal parliament passed the Parliament of Canada Act and the Intercolonial Railway Act, and by so doing undertook its obligations to carry out the interprovincial agreement of 1866, also not to legislate in any manner that is inconsistent with or repugnant to what is written in the 1866 agreement and the imperial legislation that gives effect to it.

I would point out that the proposed amendment of the British North America Act is not in the interests of the maritime provinces. We have twenty-six members from the maritime provinces in this house out of a total of 245. If this resolution carries we shall have in the next house twenty-seven members out of a total membership of 255. I should like to draw the attention of the Minister of Justice to section 52 of the British North America Act, which reads:

> The number of members of the House of Commons may be from time to time increased by the parliament of Canada, provided the proportionate representation of the provinces prescribed by this act is not thereby disturbed.

I contend that if this resolution goes into effect it will disturb the present proportionate representation of the maritime provinces in this house. At the present time the maritime provinces have twenty-six members out of 245, and if we are to have only twenty-seven out of 255 when this resolution becomes law then the proportionate representation is being changed and section 52 is violated. Not only only that, as time goes on our representation will change even more. It will be only a matter of time, I believe, before the province of Nova Scotia will have as its representation in this house only the number of representatives it has in the senate. That will probably be the result should this resolution carry because of the increase in population that will take place in other parts of Canada. Nova Scotia would then find itself in the same position as Prince Edward Island and New Brunswick. I think we are going beyond the provisions of section 52 of the British North America Act in proposing the amendment contained in this resolution.

I want to see Quebec have the representation it is entitled to, and I want to see the other provinces fairly represented. Under the present set-up and with the conditions that prevail at the present time, the representation appears to be unfair. When the minister introduced the resolution he said that up until the turn of the century everything went all right, that it was only since the turn of the century that any discrepancy or unfairness had crept in. This thought has occurred to me. Were not the fathers of confederation right? If we take a long-range view of it, may not the present arrangement work out all right in the end? The London resolution and the B.N.A. Act were intended to last more than a generation. The act worked all right prior to 1900; may it not work all right again?

In any event, I want to see Quebec fairly represented in this house; I do not want to see any province unfairly represented, or have more members than it is entitled to. I submit, as I have already submitted, that this proposed amendment is violating section 52 of the British North America Act.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, in order that all sides of an argument may be fairly presented it is necessary to deal with many different points of view. Earlier in the day we heard the excellent speech made by the hon. member for Lake Centre (Mr. Diefenbaker), in which he developed the historical side of this argument. Later, we had what was referred to by the hon. member for North Battleford (Mr. Townley-Smith) as the philosophical side of the argument developed by the hon. member for Davenport (Mr. MacNicol). Then, later, we had the legal side of the argument developed and elaborated by the hon. member for St. John-Albert (Mr. Hazen) who has just spoken. Then we have had the administrative side developed, and reference was made to the difficulties of those who live in the great undeveloped areas of the north, the large number of men who went to work in the great mining areas in the Mackenzie basin just before the last election and were deprived of their franchise.

So far the practical side has not been touched upon, a study of the point of view of the man in the street. At the risk of falling a victim to the verbal claymore of the Minister of Veterans Affairs (Mr. Mackenzie), I should like to refer for a few minutes to what I would call the practical side or the point of view of the man in the street. It is the man in the street who has to pay out money for such legislation or government as he receives, and for many years past he has thought that this country is overgoverned. He stops to think of the federal government, the provincial governments and all the municipal governments, and he keeps on saying that this country is overgoverned.

If he were to look at this little book called the Parliamentary Guide he would find, if his figures agreed with the rapid calculation I have made in the last few minutes, that in the senate there are some ninety-six seats, with one or more vacancies.

Mr. HACKETT: There are plenty of candidates to fill that.

Mr. PEARKES: I am told there are plenty of candidates but I am not one. In the House of Commons there are some 245 members. Then in the provincial legislatures there are the following memberships:

Alberta	60
Manitoba	55
British Columbia	48
New Brunswick	48
Nova Scotia	30
Ontario	90
Prince Edward Island	30
Quebec	91
Saskatchewan	55

According to the rough calculation I have made, that gives a total of 507 members in the nine provincial legislatures. I would hesitate to make even a rough guess as to the number of people exercising government in the various municipalities stretching across the country, but it must run into thousands. Is it any wonder that the man in the street suggests that perhaps we are overgoverned? What will his reaction be when he sees that the government is suggesting that there be ten members added to this house? I am afraid that he will start to figure up the costs, and his very first reaction will be: "I, the man in the street, raised their salaries by $2,000 last session, and now they want to do less work by having ten more men to help them out."

It will mean that these ten additional members will receive the indemnity that we here receive, and the first rough calculation would show that this means another $60,000 added to the taxpayer's burden. But it does not end there, because we are fortunate enough to get free railway transportation, and if we come from any great distance the taxpayer is kind enough to give us our travelling expenses. We also get free mail and a lot of free literature. If we are to add another ten members to this house, there will be an increase in the amount of that literature, which will mean that there will have to be an increment in every single department in order to provide those extra ten members with this information which is given out so freely by every department of the government. There will have to be ten extra stenographers. There will have to be extra waitresses in the cafeteria or in the parliamentary restaurant, as the case may be.

I have to share an office with another hon. member, who irritates me intensely at times because he has a loud voice and invariably speaks over the telephone, while I hardly use the telephone at all, and I shudder to think of having another member also put into my office. There are already not enough offices to go around. I thoroughly believe that if you are going to give ten more members to this house, we the Progressive Conservatives will get at least one of those ten—I hope so—but I dread to think of having another member put into my office because there just will not be room for three. So that I wonder, Mr. Speaker, whether the next step will not be to suggest enlarging this building if we have ten more members and you have to find ten more offices or even five more offices to accommodate them. Will it not be necessary to build an additional floor or, as my hon. friend besides me suggests, a lean-to on this building?

An hon. MEMBER: Put the Tories in the cellar.

Mr. PEARKES: So while I said at the beginning that I felt quite reasonably certain that I might fall a victim to the bowie knife, I have run that risk with my eyes open because I believe that there are a great many humble men throughout this country who really will wonder whether they are justified in paying out more money in order to be governed. I leave it there, and I ask the government to give consideration to that foolish point of view perhaps, because the man in the street is not a philosopher; he is not a lawyer; he is a practical man who has to pay out the extra money if he is to be blessed or cursed, as the case may be, by an additional ten members.

Mr. E. D. FULTON (Kamloops): Mr. Speaker, while the hon. member for Nanaimo (Mr. Pearkes) was speaking, and as the clock pursued its inevitable course toward eleven o'clock I wondered whether it would reach it before the time arrived when I would have to rise in my place in the house, and I could not avoid being impressed with the thought aroused by the trend of his argument that ten more members would probably mean ten more speeches, or, as my hon. friend the member for Eglinton (Mr. Fleming) suggests, perhaps a hundred more, depending upon how many times they spoke. I see the Minister of National Defence has caught the point.

It seems to me that one obvious feature has so far emerged from the debate. The question has come to the fore on what grounds the various parties in the house base their stand for or against the resolution. Since it is almost eleven o'clock, Mr. Speaker, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

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

Friday, June 7, 1946.

The house met at three o'clock.

LABOUR CONDITIONS

SEAMEN'S STRIKE—DISRUPTION OF TRAFFIC ON INLAND WATERWAYS

Hon. HUMPHREY MITCHELL (Minister of Labour): I understand an hon. gentleman is going to move the adjournment of the house to discuss another matter, so I thought I had better get in first. The hon. member for Rosetown-Biggar (Mr. Coldwell) sent me notice of a question in reference to the movement of six hundred men into Cornwall, and I think I should answer immediately because this does affect the situation to a great extent. Immediately I read that statement in the newspapers I got in touch with the operators, from whom I received a telegram. I think it would be better to read this telegram, and also a telegram I have received from the union. This is the telegram from the operators:

> Referring to newspaper reports of to-day and with reference to our telephone conversation of this morning ship owners say that no arrangements have been made for a mass movement of men into Cornwall. They say that they have available at least six hundred men many of whom are returned men ready to man their ships and that any attempt to man any vessel or vessels will only be made after full and proper notice to the proper police authorities and in full cooperation with them. Meantime strikers are pursuing their acts of lawlessness the latest of which was the attack on the steamer *Birchton* last night in the Soulanges canal, when they seriously injured the cook, smashed up the galley throwing the galley stove overboard and committed other acts of vandalism. Also strikers last night forcibly removed the crews of the steamers *Houson, Stewart, Richards, Mapleheath, Grainmotor* and *Kinmount* while they were lying peacefully at dominion government property at Coteau.
>
> (Signed) George R. Donovan, Secretary,
> Dominion Marine Association.

I also received, in reference to the same matter, the following telegram from Mr. J. A. Sullivan of the Canadian seamen's union:

> View with alarm press release from ship owners in Montreal in which they state that they have organized and are prepared to move into the city of Cornwall six hundred thugs. They quote in their statement that they intend to get the ships out of Cornwall with or without the aid of the authorities. Such open defiance must be checked. They have accused this organization of violence but with their own words they have proven that they are the lawless ones. Surely it is time for the government to act in stopping such a procedure.

I have read these telegrams, Mr. Speaker, to give my hon. friend and this house some indication of where the Minister of Labour sometimes sits in these disputes.

[Mr. Fulton.]

Mr. COLDWELL: What a hot spot!

Mr. MITCHELL: I have always taken the view—although sometimes my hon. friend has accused me of sitting on the fence; in this instance I would say it is a hot stove—that it is wise to be a conciliator. I suppose I have been chairman of more commissions on labour disputes than any other labour man in this country. To be successful, one cannot take sides. He has to bring the parties together. I thought I had done that this week—until this press story this morning, and the incident which took place yesterday on the St. Lawrence.

I told the union and the employers that I thought this carry-on or attitude by both sides was unwise. In my judgment it was stupid—and I say that to both sides. Sooner or later the dispute will be settled; it will have to be settled. Unless there is cooperation of both parties to the dispute, whoever presides over that dispute has an almost impossible task. I hope even at this late date that both sides will act like grown-up men, instead of children on a sand lot.

FOOD

WASTAGE THROUGH LACK OF CONTAINERS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I ask leave to move the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely, the immediate threat of wastage of the current crop of small fruits, tree fruits, vegetables, butter and egg production and the fish pack in the province of British Columbia, because of the lack of necessary wooden or wood product containers.

Mr. SPEAKER: Standing order 31 states, in part:

> (2) The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.
>
> (3) He then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order, and of urgent public importance, reads it out and asks whether the member has the leave of the house. If objection is taken, Mr. Speaker requests those members who support the motion to rise in their places and, if more than twenty members rise accordingly, Mr. Speaker calls upon the member who has asked for leave.
>
> (4) If less than twenty, but not less than five, members rise in their places, the question whether the member has leave to move the adjournment of the house shall be put forthwith, without debate, and determined, if necessary, by a division.

Inasmuch as the motion has been presented at the proper time, and I regard it as a matter of urgent public importance, I consider it in order. If no objection is taken, the hon. member for Fraser Valley has the floor.

And leave having been granted:

Mr. CRUICKSHANK: Mr. Speaker, I asked for the adjournment of the house to discuss a matter of national urgency, namely the immediate threat of wastage of the current crop of small fruits, tree fruits, vegetables, butter and egg production and the fish pack in British Columbia because of the lack of the necessary wood and wood product containers. I do so because I believe the matter is not merely of immediate national urgency, but that it is of international urgency.

The pack is threatened with extensive wastage because of the lack of wood and wood product containers to collect and transport it. This shortage, while brought to a head by the current lumber strike, was very serious long before the strike occurred. Because of the extreme shortage of lumber, few barrels, crates or hallocks have been produced this spring, because the lumbermen found it more profitable to convert their logs into building lumber than into boxes at the current ceiling prices. This situation got so bad that on April 30, Donald Gordon gave the box manufacturers an open permit to manufacture the necessary containers, the British Columbia fruit crop alone requiring 30,000 barrels, 16,000,000 boxes, 200,000 crates and 5,000,000 hallocks. But slight production had followed when the lumber strike closed all box factories.

The first small fruits are now ripening in the fields, and I now quote a wire I have received from the president of the British Columbia branch of the Canadian Federation of Agriculture, dated May 20. It states:

Vernon, B.C., May 20, 1946.

G. A. Cruickshank, M.P.,
Ottawa, Ontario.

Unless manufacture of berry crates, processing barrels, egg cases and vegetable crates is renewed immediately heavy losses to growers, processors, distributors and employees in these departments are inevitable. Harvesting of berries starts in about fortnight and if containers are not ready large part of heavy and valuable berry crop will be left in fields to rot. Not only domestic fresh market supplies affected but export of processed berries for Britain. Eggs for Britain from Fraser Valley affected and also vegetables from Fraser Valley Vancouver Island and interior. Urge your interest and assistance towards settlement ensuring resumption mills and woods operations. Tree fruits crop of record proportions from Kamloops through Okanagan and east to Creston in prospect and every day mills are idle means loss of boxes that cannot be made up during balance of season. Our federation confirms and supports vigorously representations of British Columbia coast growers association, Pacific coast poultry producers association and British Columbia fruit growers association. Our federation would value message from you regarding this crisis.

P. E. French,
President, B.C. Federation of Agriculture.

In the house for the past two months the greatest emphasis has been laid by all parties on food production, because of shortage in Canada and starvation abroad. In view of the immediate threat of wastage of the tremendous British Columbia crop of perishable foodstuffs, I should be derelict in my duty as a member of parliament if I did not move the adjournment of the house so that public attention may be directed to this grave situation.

My colleagues from British Columbia are equally concerned over the emergency. I thank you, Mr. Speaker, for permitting this motion for adjournment. I shall be as direct and as brief as possible in anything I shall have to say. Perhaps hon. members will excuse me if, for once, I stick closely to my notes, for I wish to present the plight of the food producers and my proposed solution in as clear a manner as possible.

It is often said, sir, that the entire economy of British Columbia is dependent on the lumber industry, and that this is true even of agriculture and fisheries, for the great bulk of our pack in small fruits, tree fruits, vegetables, eggs, butter, and fish, is collected, packed and marketed both at home and abroad in wooden containers, whether they be barrels, crates, or hallocks. In wartime our producers have not only had great difficulty in getting farm labour to cultivate the crops, but, because of shortages in the lumber industry, each year they have found it more and more difficult to obtain the containers in which to pack and ship them.

Normally a great deal of the production is done in the winter time, so that an adequate stock is available at the beginning of the picking season, and during the packing season the box factories produce a maximum output which in the past has barely sufficed to save the crop. This past winter, however, the ceiling price on these containers was so low in comparison with the price for construction lumber that most of the manufacturers chose to turn out lumber instead of boxes. A grave situation developed, and as long ago as March 19, again on April 8, and again on April 24, I wrote to the wartime prices and trade board and the government, pointing out that unless box manufacturers were in full production we would have tremendous waste of food in the summer. I should like to

quote one paragraph from Donald Gordon's letter in reply to my representations. It reads:

In view of the shortness of time remaining before berry baskets will be required in the British Columbia area, that manufacturers be permitted to sell on the basis of invoices open as to price.

I should like to repeat two things mentioned in that letter. Mr. Gordon gives as the reason for allowing a breach of the price ceiling on containers "the shortness of time remaining before berry baskets will be required in the British Columbia area." That was written on April 30, and it is now June 7. The fruit is ripe and is being shipped, and there are only a few containers available. In the next few weeks thousands of tons of fruit will ripen and there will be no containers at all. The production of containers, which began after April 30, ended completely with the general strike in the timber industry in British Columbia which began on May 17. We would have had a grave shortage even had the timber strike not occurred, because of the events I have related; but the timber strike was a calamity. The irony of it is that this year in Britsh Columbia we are having a record fruit crop. An announcement in the Vancouver *Province* of last week stated that the Fraser Valley crop was estimated to be one-third greater than any previous crop and that employment services were trying to induce women to come from the prairie provinces to help harvest the crop. The same is true for Vancouver island and the Kootenays.

I should like to quote a telegram received from the president of the British Columbia coast growers' association, which represents all the berry growers' associations of the lower mainland and Vancouver island. It is signed also by the president of the Pacific coast poultry producers' association. In case any hon. member thinks I am speaking without authority on behalf of the berry growers of the lower mainland and Vancouver island, I should like to give a list of the associations that make up the British Columbia coast growers' association. They are as follows:

Associated Berry Growers Cooperative Exchange, Hatzic; Pacific Cooperative Union, Mission; Fraser Valley Growers Limited, Mission; Central Fruit Distributors Limited, Mission; Maple Ridge Cooperative Exchange, Haney; South Fraser Cooperative Union, New Westminster; South Port Mann Berry Growers Association, South Port Mann; Coastal Growers Cooperative Association, Richmond; Richmond Berry Growers Association, Steveston; Surrey Berry Growers Association, Surrey district; Strawberry Hill Berry Growers Association, South New Westminster; Mt. Lehman, Dennison, Bradner Berry Growers Association, Mount Lehman; Yarrow Growers Cooperative Union, Yarrow; Dewdney Rhubarb Growers Cooperative Association, Dewdney; Saanich Fruit Growers Cooperative Association, Saanich; Gordon Head Fruit Growers Cooperative Association, Saanich; Vancouver Island Cooperative Fruit Growers Association, Saanichton.

The last three associations are on Vancouver island. I mention those associations because it has been assumed by some, perhaps with the best intentions but certainly without any knowledge or information, that we are not actually short of containers. The wires that I have quoted and those that I will quote later on show that I represent people who know the container situation in British Columbia. I am sorry to take so much time, but I think this matter is of vital importance. The telegram reads:

Berry growers and poultry men of this Fraser valley fearful of the effect shortage of berry crates and egg cases will have on their industry. On their behalf we would request your department to endeavour to bring about an early settlement of the lumber strike. Supply of crates and barrels on hand only sufficient for a few days operation and season starts in two weeks. Local associations met with union representatives to-day and try and solve our problems but additional help needed.

The only possible solution for this situation is to get the box factories going immediately on twenty-four hour production. The end of the timber strike would of course achieve this end. As I told the Minister of Labour (Mr. Mitchell) some time ago, I had a proposal which I think would end the strike. I refrained from introducing this proposal because deliberations were being carried on under Chief Justice Sloan, and I did not want to do anything that might interfere with the final solution of the strike.

I want to emphasize the fact that I am not talking about the lumber strike to-day. I am speaking on behalf of the important berry growers of the province of British Columbia, and other hon. members can speak on behalf of the tree fruit growers. I consider it my duty to bring before the house the seriousness of the situation. The only thing I want to say about the lumber strike at this time is that the loggers are not striking against the farmers and fishermen of British Columbia. They are not striking to sabotage food production in British Columbia. They are not striking to deprive veterans of lumber to build homes. They are producers just the same as the farmers and fishermen are producers. Many of them are veterans and it is not their desire to injure their fellow workers.

As I said before, I am not taking sides one way or another, I am simply pointing out what I believe to be the true facts. These men are striking against the logging and saw

mill operators for higher wages, shorter hours and union security. They have shown they are not striking against the veterans by permitting lumber to pass through the picket line if used for veterans' buildings. They have shown that they are not striking against the farmers by returning to work without prejudice in the small box factory in Creston in the Kootenays, where the situation was most grave.

It has been suggested that I am overestimating the seriousness of the shortage of berry crates and barrels in British Columbia, and particularly in the Fraser Valley. It has been suggested by certain officials here, possibly in good faith but certainly without any knowledge of the facts, that the situation is not as serious as some of us say it is. I should like to quote one or two telegrams. The last one I received over the telephone just before I came to the house to-day. These serve to strengthen the stand I am taking. The first one reads:

Lumber strike preventing Sweeney Cooperage, Vancouver, supplying sufficient barrels for raspberry crop. Krause has only 2,000 barrels on hand, needs 10,000.

I am told by some that there are containers in sufficient quantity, but here is one concern in my riding which requires 10,000 barrels and has only 2,000 on hand. Shipping of the crop is just starting. These people know what they are talking about. I have another telegram from four large shippers of berries, both cooperatives and independent. These people know their business, and this is what they say in a telegram dated June 4:

IWA strike called over two weeks ago has resulted in absolute deadlock of cooperage operations causing acute barrel shortage. These barrels absolutely necessary for packing thousands of tons berries definitely confirmed for the United Kingdom. Loss of this business through lack of barrels will cost berry growers of the Fraser Valley one million dollars. Loss to the United Kingdom food ministry cannot be considered in monetary value alone but will result in untold loss of food stocks absolutely necessary to Great Britain. Suggest every effort be made to have cooperage operations resumed to full capacity immediately pending settlement between labour unions and industry so that barrel manufacture can begin at once as every hour of delay means untold loss to the berry industry and to millions who are depending upon these food supplies.

Pacific cooperative union
Yarrow growers association
Fraser Valley growers limited
Central fruit distributors.

The British Columbia federation of agriculture wrote to me under date of May 30, and I should like to quote one paragraph as follows:

It is a hard road for the berry, tree fruit and vegetable industries of British Columbia and whether even in the event of an early settlement, growers can catch up with container needs, is doubtful.

I should like to quote briefly from the Chilliwack *Progress*, probably the largest weekly newspaper in British Columbia, published in the berry growing district. In the issue of May 29 they state:

With some strawberries already being picked and the main crop expected to start appearing on the market next week, the picture looks dismal for the growers in the district if the strike tie-up continues to hold up the box factories, berry officials report.

I could go on quoting, but I just want to emphasize the seriousness of the situation. I am told by some without the necessary knowledge that there are containers on hand. I admit frankly that strawberries are being shipped out of the Fraser Valley to-day, not by the crate but in carload lots.

Then there is the raspberry crop. I have referred to there being 2,000 barrels on hand, and there is an estimated crop of 10,000 barrels. That means that we shall have to divert our raspberry crates to care for the strawberry crop.

I can quote Donald Gordon, whose name is known to a few hon. members, in confirmation of what I say, speaking under date of April 30.

We know that the government cannot do the impossible, and we cannot expect crates or barrels to be produced over-night. The farmers are reasonable and know that that cannot be done. It may not be known to some hon. members that the only farm produce that I know of in Canada which has not been allowed to maintain its market is the small fruits. We have never been allowed to ship to the United States; our fruit has been allocated to eastern markets and to Great Britain. We have no particular quarrel with that, although we want to maintain our markets.

I want to make a suggestion to the government. There is one possible way of meeting the shortage of containers now. We are in a position to sell our fruits to the United States, and they will supply the containers if we are granted an export permit. But naturally the Americans must know to-day if they can receive our fruit—I am speaking of the raspberry crop—so that they can make their arrangements to send up the containers. We have plenty of containers to-day but the officials overlook the fact that the present expectations are for a very large crop of raspberries this year. If we are to be granted an export permit to ship to the United States it must be done immediately so that the

Americans can make their arrangements for sending the crates and barrels in bond and taking the fruit back to the United States, thus saving the crop.

I have a quotation here from a man who is particularly well known to the Minister of Agriculture. I know it will be said that fruit is not the most essential food. I have never been accused in this house of having any love or particular admiration for any adult enemies of this country, but I do not think any member of this house has the right to sit quiet when food is being wasted while children in Europe and elsewhere are starving. There was a meeting in London recently of the International Federation of Agricultural Producers, and some prominent agriculturists were over there, at the expense either of their own organization or of the government. I quote what Mr. J. H. Wesson, of the wheat pools, Regina, said:

> Mr. J. H. Wesson, of the wheat pools, Regina, suggested three principles which should guide future food policies in all countries—that to destroy food was nothing short of vandalism; that restriction of production of necessary food was socially immoral; that when food was produced and not distributed to those needing it there was evident incompetent statesmanship between countries with too much and those with too little.

I do not want to take sides in the lumber strike, but in passing I may say that I am the only member of parliament elected from British Columbia who was endorsed by the organized loggers' union, I.W.A., at the last election. I represent the berry growers of British Columbia, and can claim some right also to represent the loggers because I had their endorsation at the last election. I say that neither the union nor the operators can find any justification for food being wasted while people are starving in Europe or anywhere else. But above all, the one body that has absolutely no right to allow food to be wasted at this time is the parliament of Canada.

I think I have indicated the opinions of the producers, either cooperatives or independent, of small fruits in British Columbia. I have also quoted a wire from the federation of the Okanagan. These people know whether or not there is a shortage of containers.

My suggestion to the government and to the Minister of Labour, if you like—perhaps not the Minister of Labour, after what I have said of the duty of employers and unions—is this: It is the duty of the Acting Prime Minister to put in a controller in the box factories in British Columbia to-morrow.

[Mr. Cruickshank.]

Hon. GROTE STIRLING (Yale): Mr. Speaker, I am very glad that the hon. member for Fraser Valley (Mr. Cruickshank) has brought this matter to the attention of the house, and I congratulate him on the very thorough way in which he has presented the views and the needs of those he represents. He has dealt with the berry production of the Fraser valley as well as that of the lower mainland. The containers required for that crop are largely barrels. I want to add a few words from the point of view of the production of fruit and vegetables in the southern part of British Columbia.

When this strike started on the 15th of May the Minister of Labour (Mr. Mitchell), making a statement in this house, said:

> The dispute is one which comes within provincial authority.

Two days later the minister of labour for British Columbia, writing to the Kelowna Sawmills, made this statement:

> Dealing with the persons responsible for this is the responsibility of the Minister of Labour for Canada.

So that once more we have the statement made here that it is a provincial affair, and in Victoria that it is a dominion affair.

Later, on another occasion, the Minister of Labour referred to the fact that any decision arrived at, after a conciliation board had sat, would have to be referred to the regional war labour board. That is a board set up under the dominion government; there can be no question about that. And the matters being dealt with—food, prices and wages—are matters which come under the control of the dominion government. It seems to me without any question that the authority lies with the dominion government to enter this dispute and to produce a settlement. The minister, on the day of the beginning of the strike, proceeded—*Hansard*, page 1549:

> Notification was publicized that a strike would occur to-day, and as there was evidence that the negotiations were breaking down, the Hon. George S. Pearson, Minister of Labour for British Columbia, consulted with me in the matter and recommended the appointment of a special commissioner.

He related how he had appointed Chief Justice Sloan to be an industrial disputes inquiry commission. Later, the minister goes on:

> I have not had a report from Chief Justice Sloan. However, the information received by me by telephone early this morning from the British Columbia minister of labour is to the effect that at the meeting held by the chief justice yesterday the negotiations came to an end because those representing the union took the position that the strike was going to take place at eleven o'clock this morning.

That brought that conciliation effort to a standstill. The operators could not see what good could result from proceeding with the discussion when the strike was on.

Then the Minister of Finance (Mr. Ilsley) made a most earnest appeal to both parties to this dispute; and I must say that I was hopeful that both the disputants would take it to heart and a settlement would be arrived at. For when a minister of finance, speaking for the dominion government, makes such an appeal to disputants, it appears to me he would likely receive the support of the general public, and it has often been pointed out that no strike can last very long if it has not the support of the general public. However, the Minister of Labour on May 29 had to come to the house and give the replies which he had received from the disputants, and he read a statement from the Interior Lumber Association, from which I want to quote a word or two—*Hansard*, page 1986:

Negotiations on behalf of the owners have been conducted by Mr. J. H. Ruddock, industrial relations officer, Interior British Columbia Lumber and Box Manufacturers Association.

Then followed a long wire, at the end of which appear these words:

Furthermore present strike in largest box producing plant in interior British Columbia called in face of valid agreement which that plant has with Canadian Congress of Labour and which agreement has never been terminated either by C.C.L. or I.W.A. Under all circumstances in fairness to all concerned and particularly to avoid heavy loss to growers we again urge instructions be given for unconditional resumption operations leaving result to legal processes of conciliation and arbitration.

Again and again, to both parties to the dispute, the suggestion has been made, backing up the appeal of the Minister of Finance, that for the sake of food, for the sake of saving destructible food, the dispute should end and the matters in dispute should be subsequently settled.

At the very beginning of the strike I received a telegram from the president of the British Columbia Fruit Growers Association which I want to put on the record. It is dated the 18th, and the house will remember that the strike began on the 15th:

Tree fruit industry of British Columbia facing grave crisis through strike of International Woodworkers Association which has closed down all box mills in interior and thus shut off supplies of shook. Record crops of tree fruits in prospect. Every day's stoppage of mills means many thousands of containers will not be available. Only by operating at full capacity every day until end of season can needs be met. Only small proportion of season's requirements now supplied and consequently enormous losses impend unless mills resume operations immediately.

My understanding is that there is in sight a $20 million crop of fruits and vegetables in the southern interior of British Columbia, not including the area for which the hon. member for Fraser Valley speaks. The packing of early cherries began a few days ago at Osoyoos and Oliver, at the southern end of the Okanagan valley. I understand there is shook in sight which perhaps will take care of the cherries and a portion of the apricots, but there is no shook in sight at all for everything that follows—peaches, pears, plums, prunes, apples.

Now this disastrous dispute is a serious enough question in relation to the housing problem which is common to all Canada, and we must remember that these British Columbia mills send the necessary lumber a good many hundred miles east of the Pacific coast. The delay in the housing situation is a very serious matter, but it is a matter of delay. The lack of shook with which to make boxes and crates to send this perishable crop to market is not a matter merely of delay; it is not delay at all, it is destruction, and that is what makes it such an extremely serious thing today. It is impossible for me to foretell what possibility there will be of scraping together unusual and unexpected containers with which merely to get this stuff to the markets. It is possible that if it could reach the markets it could be taken away in small quantities by other means, paper bags or something of that sort, but that will not help us in the problem of getting the stuff to the market; and, Mr. Speaker, it is destructible stuff we are talking about.

We are being told every day of the need of producing every bit of food that is possible. Our particular international difficulty, true, is in respect of wheat and flour, but if wheat and flour are short, the people must tend to turn to something else. There is no question that vegetables would be the next thing they would turn to, and fruit to the extent that it is a valuable portion of the diet of the ordinary healthy person.

Besides all that it should be remembered that the area for which I speak has this one industry prominent in its work. Secondary industries have cropped up in support of the main industry; but it is not only the fruit growers who own this crop which may be destroyed who are in this lamentable difficulty; but it is all the labour they employ, it is all the stores in the town to which people, for lack of money, may not be able to go and buy their requirements; it is all the people of the interior of British Columbia from the Canadian Pacific main line to the international boundary and from the Alberta boundary to

the boundary of the Fraser Valley riding. Not only is it serious from the point of view of the inability to market these fruit and vegetables, but because there will be a shortage of food purchasable by the people themselves.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, a question was asked yesterday with regard to the matter under discussion as to which some information should be placed early in this debate before members of the house. Full information with regard to the position was not at hand yesterday, but I have considerable of it here at the moment. I think the general situation is best stated in a memorandum which I have in my hand and which I will read to the house.

There are prospects that one of the largest crops on record is maturing in British Columbia at present. Cherries will be ready in about two weeks, followed by peaches, apricots and plums. These are highly perishable fruits. The apple crop is being estimated at eight million boxes. Cherry containers are in fair supply but only about one-third enough boxes for the rest of the crop, and an inadequate supply of barrels for processing. The Okanagan depends mainly on the Okanagan box shook plants for its production. In lower Fraser Valley the deficit in the supply of containers threatens the loss of $1,000,000 worth of fruit for which there are no barrels or crates. One company alone, the Pacific Cooperative in Mission, needs 13,000 barrels for processing small fruits and 45,000 crates for raspberries. The over-all deficit in barrels is estimated at 35,000. Each barrel contains from 350 to 400 pounds of fruit. The supply of berry crates and hallocks comes mainly from three small mills at Yarrow, Mission and Haney and from Fraser Wood Products Limited, which makes veneer. These plants are now idle or nearly so through lack of logs for veneer.

That is the general position as stated by one who is interested in the ideas which are being put before the house by the member for Fraser Valley (Mr. Cruickshank) and by others. I have taken the trouble to-day to have the position reviewed by officials of the department, through getting in direct contact with British Columbia, and the information gathered is compiled in another memorandum, which is the result of conversations that took place within the last hour and a half. The statements made are to this effect:

Strawberries. The first picking started on May 30. From 1,500 to 2,500 crates are going to prairie markets daily. By the end of next week shipments will be up to 7,000 and 8,000 crates daily. The present supply of crates amounts to about 40,000 which are in the hands of the organized shippers. Independents are in a bad position. The estimated crop of strawberries for this year is 4,000 tons.

Raspberries. Expected to start picking about 24th June. Organized growers have between 35,000 and 40,000 crates on hand. Independent shippers are short. The estimated crop is 5,500 tons.

[Mr. Stirling.]

Barrels. The Pacific Union have on hand 13,000 barrels—5,000 new U.S., 2,000 new B.C., and 6,000 old barrels. Fraser Valley Co-Op. have all the barrels they will require for this year. Yarrow Co-op. have only about 1,000 barrels on hand and 1,000 promised. Their position is very short. New barrel requirements are in the neighbourhood of about 35,000. The actual shortage is about 21,000 barrels.

The statement is made that "we are unable to obtain or secure any more barrels from the United States at present". That is, I presume, for use in making supplies available to others than the Americans themselves, and there is no assurance that barrels would be supplied from the United States even if they were to be returned packed with berries, although it is stated there may be private commitments to that effect of which the department itself would have no information. That is the position as it is reported to us at the moment.

I do not intend this afternoon, though others may desire to do so, to discuss the pros and cons of the arguments that can be brought forward on either side of the labour dispute which is on at the moment, or to state what ought to be done in relation to it. I only point out that in the summaries I have read it is indicated that three or four companies are making containers and it would probably not be a difficult thing for someone to take control of these companies and operate them if that in itself would get the results desired. My understanding is, however, that the supplies of logs which would be required to make possible the manufacture of containers is something which goes much deeper than that and involves a problem which would have to be solved before the operation of the plants themselves would be effective.

The question which was asked yesterday, and the proposal which was made with a view to providing some solution for the difficulty, is however on a very much narrower basis than the basis upon which the discussion is taking place to-day. The member for Fraser Valley, rising in his place yesterday, stated:

I should like to direct a question to the government. I do not know which department it comes under so I have given notice to three ministers. My first question is, what steps are being taken to save thousands of tons of berries worth over a million dollars, now under contract to the United Kingdom from being lost, owing to the lack of barrels and containers?

I would like to take a few moments to deal with that first question and the background which makes it an important one.

In the first place, early in the war the British government did not desire to have fruit shipped because of the fact that it took up very considerable space and supplied less food value to those who required food than did some

other types of food, and so a market for what is known as SO2 was not readily available. During the first period of the war our chief difficulty was to try to persuade the British to take SO2, and I might suggest that one of the members active in trying to bring that about was the member for Fraser Valley. He did on many occasions emphasize the importance of getting rid of this product, which provides an outlet for surplus, which cannot be sold, of fresh berries in the province of British Columbia. As a result of representations made by himself and others, and the efforts exerted on their behalf by the special products board, we did from time to time persuade the British to take certain quantities of SO2 in order to relieve the situation existing in British Columbia. Last year the British government asked for this product. They asked what quantity of it we could supply and we made arrangements to have supplied to them the quantity which was available at that time. This year, when I was in Britain in January, we approached the British government to find out whether they woud be willing to take SO2 this year, and in what quantity, and the understanding we reached with them was that they were anxious to obtain the product and would take whatever quantity could be made available to them this year.

I quite agree with what the member for Fraser Valley said a few moments ago. In spite of the fact that jam and fruit generally is not of the same food value as bacon, butter, wheat or products of that kind, when there are difficulties in obtaining butter, jam is a very good spread for bread to induce children to eat more of that commodity than they otherwise would, and it is particularly good for the type of bread which is being supplied children on the European continent and in Britain at the present time. It makes the bread more palatable and a better food because of the fact that it has jam upon it. So at the present time the British are placing perhaps more emphasis upon the obtaining of this product than they were at the beginning or even in the middle of the war. The net result is that officials of the department approached the fruit producers of British Columbia and obtained assurances that certain quantities of SO2 would be made available this year to the British government in barrels, and my understanding is that all the barrels necessary for the shipment of SO2 in the form in which the British government desire to have it, for the making of jam to be served on the continent or perhaps mainly in Britain itself, have been assured to make available the quantities which the organized producers of British Columbia agreed could be made available from that province. So as far as the first question is concerned I can only say we feel that provision has been made to make available to Britain, in containers suitable for the purpose, SO2 in the quantity which has been arranged.

The second part of the question is stated in these words:

> The second question—and these are straight questions—is, will the government grant an immediate export permit for five hundred tons of raspberries to the United States . . .

Later the hon. gentleman repeated the question in these words:

> . . . will the government grant an immediate export permit for five hundred tons of raspberries to the United States, barrels and containers for which will be supplied by the United States purchasers, thus permitting raspberry barrels on hand to be used for the present emergency in the marketing of strawberries. That is a straight question, and it is a vital one for the people of Canada.

The answer to that question, Mr. Speaker, if it will be helpful in the decisions that are to be reached, can be made just as direct as the answer to the other question. In the first place the Department of Agriculture is anxious to see that the SO2 promised, not by contract but by word of mouth, to the British government will be made available to them. The department is anxious to have that undertaking fulfilled in order to keep faith, if you like, with those who are expecting to obtain the product in order to provide food of the type I was discussing a few moments ago for the people of Great Britain. But we do not consider that we should press that matter to the point of making it impossible for the berry growers of British Columbia to be able to market their product. I think I can say to the hon. member for Fraser Valley or to any other hon. member of the house that there would be very little if any hesitation in issuing permits to have five hundred tons of these berries exported to the United States. Some further consideration might have to be given to the question whether more than that quantity should be exported, in view of all the circumstances, but I think I can say without fear of any other decision being rendered that every possible consideration will be given to requests for permits for the shipment of berries to the United States from the British Columbia area to make it possible to market fruit which otherwise could not be marketed as the result of a shortage of containers in that area. In other words if, as is suggested, the Americans are prepared to make containers available in which to ship

to the United States berries which otherwise would go to waste in the province of British Columbia, then I do not think anyone in the government or in this house would take the position that these berries must be allowed to spoil in the fields instead of being shipped to someone, somewhere, who would utilize them and pay the producers for them.

On the other hand I should like to emphasize the fact that a market for SO2 has been represented to us as most important to the berry growers of British Columbia, and I repeat that one of those who have been most ardent in making these representations is the hon. member for Fraser Valley. That is only natural, since as he has stated this afternoon he represents the berry growers. So I would say that anything the department has said or done in regard to the matter has been with the view of protecting the position of the berry growers of British Columbia. As far as we are concerned at the moment the growers will be in a position to make up their own minds as to whether they wish to ship five hundred tons of berries to the United States, leaving it to the future to determine whether supplies can be placed in the other markets to which they usually send berries. We are not going to battle for them or against them in that matter; we think that is something in which they themselves are most interested. We will assist them in every way possible in doing what they desire to do. But I should like to say that in making the distribution of the five hundred tons, or any other quantity that is to be exported from British Columbia to the United States, I do not think anyone will expect us to issue a permit to any one organization. Whatever permits are issued should be distributed over the whole industry in British Columbia; and in making that distribution the interests of the berry growers of the province will be taken into consideration first. One of the factors to be kept in mind in arriving at any conclusion will be the question whether containers are available at the time the matter is under consideration; that is, some consideration has to be given to strawberries immediately, and to raspberries some two weeks hence, though I agree that provision must be made in advance so people may know what they are going to do, and they must know what the situation is going to be. When it becomes necessary to make a decision and when all the facts are known, the question whether or not containers are available will be one of the main considerations in the mind of the department in deciding what part of the product might be exported and what part might be marketed in our own country or in Great Britain, in accordance with the wishes of those who are growing the berries. In other words I do not want the house to think there is any controversy with regard to this matter which cannot be settled, better than anywhere else, among the berry growers of British Columbia themselves, as far as the marketing of the berries is concerned.

On the other question, dealing with the strike and the making of boxes in British Columbia, I have nothing to say this afternoon. I have not the information upon which to base any statement; therefore I leave that matter to be discussed by others who have the information at hand. As far as the marketing of these berries is concerned, however, no department of the government is going to do anything which will make it even possible for berries to rot unconsumed in the fields of the province of British Columbia.

Mr. THOMAS REID (New Westminster): Mr. Speaker, the matter brought before the house this afternoon by the hon. member for Fraser Valley (Mr. Cruickshank) is indeed a serious one, in that it affects not only the supply of food, but also the livelihood of considerable numbers of farmers.

May I say first of all a word as to the remarks just concluded by the Minister of Agriculture (Mr. Gardiner). The information he gave in the latter part of his speech is not borne out by the information submitted to us by those who are growing berries and those who are in charge of the canning factories. In the first part of his speech he read from a statement which said that one concern alone were 13,000 barrels short, and that 45,000 crates were needed. Then, in the concluding part of his remarks he pointed out that from the further information he had it would seem as though there were ample barrels and ample crates. To me there is a conflict of view in what he has said.

Mr. GARDINER: I do not wish to be misquoted. If I left that impression, I did not intend to.

Mr. REID: I thought you did.

Mr. GARDINER: We had better straighten it out, then. The statement I made was that there are sufficient barrels with which to ship SO2 to Britain, but I did not say there were sufficient containers of any other kind to market fruit. I did say if there are not sufficient containers for the marketing of this crop

and the handling of the fruit, permission will be given to allow the fruit to go to the United States.

Mr. REID: I am glad the minister mentioned something about fruit going to the United States, because there again the house has not been given information as to the price set for fruit going to Britain.

I do not think anyone will disagree with the attitude the farmers take, namely that they should be allowed an increase the same as those who strike for higher wages, and just as high a price as they can obtain, owing to the fact that all costs have increased. The fruit growers know about the market in the United States, and see a better local market this year on account of the fact that the price ceiling has been lifted on berries. I should be interested to know if the officials in the minister's department have set a price on berries which they have agreed to ship to Britain. I doubt if much of the fruit about which the minister has spoken will go to Britain, unless the price to the growers from the British authorities is as favourable as that which can be obtained on the local market.

As to the present strike, it is most unfortunate that the farmers must suffer loss. When the man who works for wages goes on strike he does not draw pay during the strike period, and in this way he sustains a monetary loss, according to the number of weeks or months he is idle. But in respect to the berry growers, the situation is more acute. The grower plants a crop, lays out either his own capital or that which he can borrow, and looks forward to harvesting the crop when the fruit is ripe. If anything goes wrong, there is a loss not only of food but also of financial returns to the farmer. Those returns must be obtained within a period of two to four months. If the crop spoils, then that farmer's entire livelihood, for the whole year, disappears. It is not just the income for one or two months, but the year's income that he loses.

I listened to the Minister of Agriculture this afternoon when he referred to jam instead of butter being put on bread. It is high time that at least some members of parliament should revise their views as to the value of fruit in the nation's diet. I do not know how many members read a report which was sent out only a few days ago on experiments in foods undertaken by the Department of National Health and Welfare in connection with the food conditions among Indians. What did they find? They found that a diet of flour, pork, sugar and tea was most deficient, but that when the Indians produced fruit, berries and so on, their improvement in health was very manifest.

Fruit is of greater value than some in this house and others outside have given to it. It contains vitamins and acids the body requires, and it is time we added more fruit to our food menus, rather than thinking of it as something extra to be taken and therefore not to be classed with potatoes, wheat and other grains.

Last year during the strike of employees of the American Can company farmers of one district in my constituency had to stand by day after day and see their crops rotting, although they were told that there was an ample supply of cans in the warehouse in Vancouver. I remember a delegation of farmers coming to me and saying, "Mr. Reid, if something is not done by the government, or if these men will not allow us to obtain cans, we are going to take the law into our own hands." They were serious about it. Those farmers from the municipalities of Delta and Richmond were prepared to take their guns, or staves and pitchforks, and move into the city of Vancouver, there forcibly to take cans from the warehouses. I advised them not to attempt to do any such thing. But I did say this, "You have a lesson to learn from the trade unions." I do not know whether that lesson will ever be heeded by the farmers. But if only the farmers could organize on the same scale and to the same extent as those in the labour unions—well, I ask you, Mr. Speaker, just how many in this country would eat? What would happen if the farmers did not get their just requirements, or what they actually need to enable them to produce the necessary crops?

To return to a discussion of the lumber strike and the effect it has had on the farmers in the Fraser Valley, it is a little unfortunate that action has been delayed until this discussion developed in the house—because every member from British Columbia, individually, has been appealing to the government for the past two weeks. The matter cannot wait much longer; otherwise the entire crop will perish.

The statement of the Minister of Agriculture that permission will be given for the shipment of at least 500,000 tons to the United States does not entirely solve the problem. There is also the question of the shipment of eggs, which require new crates, and the supply of these is short.

Added to that is the matter of fish shipments. The hon. member for Vancouver North (Mr. Sinclair) has pointed out that

fish is shipped in boxes in a frozen state. The situation is, therefore, serious not only for the man who ships fruit, but also for the poultryman, the fisherman and the fish packers.

I am not going to discuss the merits or demerits of the strike—although this can be safely said, that it is high time the labour laws in this country were clarified as to the respective jurisdictions of provincial and dominion governments. If there is anything that has beclouded the issue and befuddled the public, surely it has been the process of passing the buck from the provincial government to the dominion government, and the dominion taking the stand at times that it is up to the provincial governments to come in and do something. I suggest to the Minister of Labour that more consultation be had with the provinces with a view to clarifying the matter and coming to some definite agreement or policy with respect to the labour laws of this country. They cannot be brushed aside. Perhaps this is not the time to settle this question, when we are in the midst of heated strikes, but measures will have to be taken to prevent similar situations from arising in other parts of the dominion.

I rose particularly to support the hon. member for Fraser Valley and also to speak on behalf of those farmers in my district who are wondering what the outcome will be. I plead with the government not to stand idly by and see this waste of good food and the loss of savings and capital of men who have invested their all in this business.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, as a British Columbia member who is deeply interested in this question I wish to say a few words on the matter brought up by the hon. member for Fraser Valley (Mr. Cruickshank). May I say to the hon. member that he need not apologize for raising this very important question, and he certainly need not apologize for the way he has stated his case to the house. Perhaps it is not his case, but the case of the fruit growers of British Columbia.

The situation is so serious that I am sure everyone who speaks will be careful not to say anything that will help to make it worse than it is. The hon. member for Fraser Valley mentioned that there was a lumber shortage before the strike began, but I think it must be admitted that the strike has intensified the difficulty and perhaps precipitated the present crisis. If there had been no strike, while here and there, there might have been shortages of lumber for crates, it would not have been a very serious matter. The ultimate solution of course is a quick ending to the strike and it seems to me that only the governments—the government here and the government in British Columbia—can bring that about. I am frank in saying that I have no solution to offer, but I do submit that one of the ways in which an end of the strike can be brought about is first to ascertain the facts or the questions at issue and then give publicity to any offers of settlement made by the parties concerned. In this way public opinion may be brought to bear against those who will not acquiesce when a reasonable offer is made.

The hon. member for New Westminster (Mr. Reid) has pointed out, I think fairly, the difficulty of the position of the fruit growers in British Columbia. This crop must be harvested and shipped in a matter of days. There can be no delays. I should like to point out the social nature of our production in this day and age. It is quite clear that the British Columbia fruit grower does not grow the fruit alone. He takes part in the growing of fruit, but he cannot complete the operation until the fruit has reached the ultimate consumer. It is quite clear that before it reaches the ultimate consumer the lumber worker must take part in the fruit growing, as well as the box manufacturer and a host of other people. We can no longer leave our economic life to the chances of a struggle between the various groups engaged in production, each working for its own end.

Two or three important considerations must be kept in mind. The first is that quick action must be taken. We cannot wait even for a few days. Action must be taken immediately if the strawberry crop is to be saved. I followed carefully what the Minister of Agriculture (Mr. Gardiner) said, and I thought he indicated that he was going to give direct reply to the questions asked yesterday by the hon. member for Fraser Valley. But I could not discover any direct reply to the hon. member's last question.

Mr. GARDINER: We are prepared to give permits to export five hundred tons. That ought to be a sufficiently direct reply to the question.

Mr. MacINNIS: The permits should be issued immediately if they are required immediately.

Mr. GARDINER: The question asked was: Are you prepared to give permits for five hundred tons of raspberries which are not

going to be picked for two weeks to be shipped to the United States? We said, "Yes." I do not know how that could be any more direct.

Mr. MacINNIS: I may be wrong, but that appears to be more direct that what the minister said a little while ago.

The second important point is that food should not be wasted. If there is any crime to-day more heinous than any other, it is the wasting of food. An appeal should be made to the parties in the dispute. We should not be hypocritical and talk about helping the starving people of Europe while we allow food to go to waste in this country.

The third important point is that we should try to find ways and means of settling this dispute. I agree with the hon. member for New Westminster when he urges that there should be more cooperation between the provincial departments of labour and the federal Department of Labour. We are not yet out of the war crisis, and the cooperation and direction which the federal Department of Labour gave during the war should be continued, at least where it can be continued with the consent and cooperation of the provincial department of labour. I believe the British Columbia department of labour is more than willing to cooperate with the federal authorities.

I hope that no effort will be spared to arrive at a settlement as quickly as possible. If it would help toward a settlement I suggest that this house go on record in the form of a definite motion asking the parties concerned to refer all matters in dispute to arbitration, the findings to be retroactive from the date the strike began, and thus start immediately saving this food and the livelihood of the farmers of British Columbia.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, I rise to make a few brief observations in connection with this most important matter. I first of all must congratulate the hon. member for Fraser Valley (Mr. Cruickshank) upon the excellent presentation he made of this subject, so important to thousands of fruit growers in British Columbia. There is one thing about the hon. member for Fraser Valley—he hits straight from the shoulder, come hell or high water.

I listened with interest also to the hon. member for Yale (Mr. Stirling), who gave a clear and factual outline of the situation in the tree fruit industry. I listened to what was said of the waste of food, which I consider a crime, and to what was said about the shortage of crates and boxes and barrels and its effect upon the livelihood of a good many people in British Columbia. I am not going to go into all that again; I concur in what has been said. I speak not only as a member of parliament but as a fruit grower and as senior official of a fruit-growing organization representing a district of considerable size. I speak from experience. I know that at the present time there is an immense shortage of boxes and crates in the interior of British Columbia for products of the tree fruit industry. There is, I estimate, a shortage of from twelve to fifteen million such containers for the handling of this year's tree fruit crop.

I support the hon. member for Fraser Valley in his proposal that the government appoint a controller to get into operation these plants which are concerned with the manufacture of containers required in the shipping of perishable commodities. I think that is the first thing to be done.

I do not think it is necessary to have a lengthy debate on the matter. It is easy for most members to express their views in a few words. But I do wish, on behalf of the people I represent and on behalf of the tree fruit industry in the interior of British Columbia, to ask the government to give serious consideration to the proposals made by the hon. member for Fraser Valley.

Mr. E. D. FULTON (Kamloops): Mr. Speaker, I rise briefly to associate myself with what has already been said by other British Columbia members as to the seriousness of this situation and to urge the government to take whatever action may be necessary to settle this dispute.

I should like to emphasize its seriousness from another aspect,—not merely to be critical of the government, but because the situation is fraught with dangers other than the danger to the fruit growers, which if not tackled immediately may involve us in situations which all members would wish to avoid. I want to read a dispatch appearing in to-day's *Globe and Mail*, reporting an incident which took place at Kamloops yesterday. It is found on page 19 and reads as follows:

> Kamloops, B.C. June 6 (CP).—The Canadian Legion branch here to-day announced its intention to get materials through to the veterans' home project here following the action of veterans last night when they crossed International Woodworkers of America picket lines to deliver chimney flues to the site.
>
> Legionnaires said they had requested the union executive to release flue material to complete 30 houses of the 100-home veterans' project on the ground the material was delivered to suppliers before the strike started, and did not receive a satisfactory reply

In a statement the legion spokesman said: "Regardless of whether labour or management is the blockade, we intend to see that the veterans' homes get the material required. We are not taking sides in the dispute, but veterans' housing has our priority."

The dispatch continues:

The picket line was unmanned at the time. The I.W.A. strike committee organized its pickets on learning of the legion's move, but reached the plant too late.

In common with other members who have spoken to-day I also am not going to take sides in this dispute, mainly for the reason I feel I am entirely unqualified, having no knowledge of the merits of the case. I have read that dispatch to suggest that the member for New Westminster (Mr. Reid) was correct when he said that it is essential that our labour laws be clarified. I would urge upon the government that they consult immediately with labour officials in the provinces to see if a labour code cannot be devised for the settlement of such disputes, so that we can have in this very important sphere of our life the rule of law.

So far as the situation affecting the fruit growers is concerned, I feel there is no necessity to add anything to what has already been said. There is one suggestion I would make. I am not speaking on behalf of the berry growers, but I am very much interested in whether a permit will be given for the export of these berries. Information has come to me that a certain number of barrels are available in the province of Ontario. I suggest that if the barrels are available the government subsidize their shipment to British Columbia in an effort to relieve the container shortage that is developing there. Those of us who come from the interior fruit growing part of British Columbia are told that even if the factories were to resume work to-morrow they would not be able to catch up with the box requirements this season, and that some damage is already being done. We hope the strike will be settled immediately; and I put forward this suggestion, that the government look into the question of shipping these containers out to British Columbia with a view to repairing the damage already being done through the shortage of crates, owing to the length of time that work in the factories has already been stopped.

Mr J. H. MATTHEWS (Kootenay East): As one of the members from British Columbia I would be derelict in my duty if I did not rise and support the appeal made by the hon. member for Fraser Valley (Mr. Cruickshank) in this fruit crisis. I want to support him in his appeal to the government that they immediately put in a controller to take charge, because that would have an immediate effect upon the fruit crisis from which the province of British Columbia is suffering.

There are a number of fruit growers in my constituency in the Creston valley area, and while I am speaking here this afternoon I can picture the scene as it exists in British Columbia. The sun is shining brightly, and the pickers by the hundreds are out in the fields, picking the strawberries at this time. While they are picking, work is going on in the packing sheds. As fast as the berries are brought in they are prepared and taken to shipping points in the evening hours. But that is not all that is going on. While the picking and the packing are going on, men are working feverishly, putting together the containers into which this fruit is to be packed. They are not only working all through the day but, as I have seen them time and again, working all through the night hours by electric light preparing the containers for the packing of the fruit next day. These fruit containers come to the growers in knocked-down form, and the boxes and shooks have to be put together to be ready for the next day's packing. That is the picture when all is going well, when the shooks and boxes and containers and barrels and so on are all on the farmer's property.

But imagine what is going on in the minds of these fruit growers this afternoon. Nature has been exceedingly kind, and the harvest is there in all its fullness and beauty. There is, however, no peace in the mind of the grower. He knows that a matter of a few hours or a change in the weather conditions can mean the loss of that particular crop. So that he is wondering just what he is going to do, when he sees that the shed which is usually filled with box shooks and containers is empty, and he has nothing on hand with which he can pack his crop. This man is not a party in any shape or form to the strike which is now going on. He is the victim of it, and because he is the victim, and a very unwilling victim, we are appealing to-day. I for one would not like to say anything which would prejudice the case, because the matter is now being dealt with by the authorities in British Columbia. But I appeal to the government to put in a controller at once and to get these box mills opened and the boxes produced, so that the fruit growers of British Columbia can save their fruit crop. Then, when that has been done, time can be given if that is what the Minister of Labour wants. If he desires to give these people some time to cool off and look at the situation in full security, they will have ample opportunity to do so. But

these things should not be done at the cost of the peace of mind and the livelihood of thousands of people all through our fair province of British Columbia.

I rise heartily to support the appeal made by the hon. member, and I so state.

Mr. JAMES SINCLAIR (Vancouver North): As the original seconder of this motion I believe I should say a few words.

I do not represent very many farmers; my riding is principally an industrial riding; but as a British Columbia member, especially as a colleague of my very good friend the hon. member for Fraser Valley (Mr. Cruickshank), I feel that I should add a few words about the present deplorable situation.

The house first knew of this matter some two weeks ago, when the hon. member for Fraser Valley had a warm exchange with the Minister of Labour (Mr. Mitchell), as a consequence of which he announced that he intended to adjourn the house the following Monday. In the evening he co-opted the aid of the hon. member for Comox-Alberni (Mr. Gibson) and myself in his cause, and explained how for the past three months he had been endeavouring to get action on a situation which he saw as long ago as January was going to affect the packing of this crop. He has made the point, which may have been missed a bit, that the lumber strike was only the last blow as far as the shortage of containers was concerned. The root of the trouble was a price ceiling matter last winter, when manufacturers of wooden goods on the west coast found that the ceiling price on wooden containers was so low that it paid them better to put their logs into lumber. Because of that, over the last winter, when our cooperages and our box factories should have been building up a stockpile in anticipation of a heavy field crop, very little was done. He pointed out that he wrote repeatedly to the various government agencies explaining our situation, and finally, on April 30, because of the dire emergency, Donald Gordon did give this open price permit to the manufacturers, too late, however, to be of effective use, since the strike opened on May 17.

My colleague the hon. member for Comox-Alberni and I were very much impressed with these arguments. Each of us has our own connection with this dispute. The hon. member for Comox-Alberni represents the riding in British Columbia which has without doubt the greatest number of loggers in it. He himself is connected with the logging industry. In my riding we have the greatest number of sawmill workers. Certainly the hon. member for Fraser Valley represents the berry growers of British Columbia. Each of us over the week-end telephoned to our friends; the hon. member for Comox-Alberni, to the operators; myself, to the union leaders; and the hon. member for Fraser Valley, to the berry growers. We thought through these telephone conversations we had achieved some sort of settlement, and as a consequence of that we interviewed a committee of the cabinet on Monday morning, saying that we thought that if an appeal were made by the government to both sides of the dispute to save this fruit crop, action would be taken. The Acting Prime Minister (Mr. Ilsley) made a straight appeal on behalf of the government and the people of Canada that afternoon; and the operators immediately agreed. That morning I had telephoned to the head of the I.W.A. in Vancouver forewarning him that the government was going to make this appeal and, because I have a very great sympathy with these sawmill workers in my riding, I suggested to him that he should be the first to say, "Yes, the union are not striking against the food producers, the union are not trying to sabotage the farmers; the union's strike is against the operators, and we will agree to go back to the box factories on the terms suggested by the Prime Minister", with the understanding that whatever final settlement was made in the timber strike would be made retroactive for those who went back to the box factories. I was very much disappointed, and I am sure the people in general were, when Mr. Harold Pritchett, leader of the I.W.A., refused that offer, because I am convinced that the people I represent, the people residing in the sawmill towns of Fraser Mills, Port Moody, Barnett and North Vancouver, do not want to see the fruit industry of British Columbia ruined. Actually the box industry is a very small part of the timber industry of British Columbia. All told, it may require 50,000,000 feet out of a total cut of 3,000 million, or not more than two per cent of the total, and the opening of these few cooperages and box factories would have very little effect on the eventual ending of the strike. So I say in all sincerity that I think the union leaders, not the rank and file, have certainly alienated public opinion in British Columbia by their refusal to accept the appeal made by the Acting Prime Minister on behalf of the government and the people of Canada two weeks ago Monday.

A year ago we had an almost similar situation in British Columbia, a container strike, but this time it was the American Can company's employees who were on strike. As the hon. member for New Westminster (Mr. Reid) has already pointed out, it was his riding which was affected the most. Instead of strawberries

and raspberries it was peas. When the farmers were dumping their peas in the Fraser river public pressure became so great that the government put a controller in the American Can company, and afterwards a settlement was negotiated. The greater part of that crop was saved. It is our contention as British Columbia members that the government can do an exactly similar thing immediately in relation to the cooperages and box factories of British Columbia, to save, not all the crop, because I am convinced by the figures read by the hon. member for Fraser Valley and the Minister of Agriculture (Mr. Gardiner) that even a 24-hour a day production in these small box factories of British Columbia will not be sufficient to supply containers for this record crop we are expecting; but if such a controller were put in to-morrow morning, a very great part of that crop would be saved.

The Minister of Agriculture expressed a fear that there might not be sufficient logs to permit the operation of these box companies very long. I can assure him that there are enough logs in the water in my constituency of Vancouver North to keep the factories running throughout the summer.

Mr. STIRLING: And in the interior.

Mr. SINCLAIR (Vancouver North): There are logs in the water, in the harbour, across the lower mainland, and, I am sure, in the interior sufficient to supply material for these containers.

Mr. GARDINER: Are they available?

Mr. SINCLAIR (Vancouver North): Yes, they would be available.

As far as the settlement of the lumber strike is concerned, I am not mentioning the issues of the strike at all, but I am concentrating on the strike as far as it affects these little box factories. Knowing somewhat of conditions in British Columbia, I believe there is very little likelihood, now that the Sloan report has been turned down by the union, of any settlement being effected for at least a month, because in the natural condition of British Columbia we are now approaching what is called the fire season there. The woods are so dry that logging operations are forbidden; the logging operators will not be operating for a month or six weeks, and they will, therefore, not be very strongly disposed to conduct further negotiations immediately, in view of the fact that they could not operate their camps in any event. If such is the case we can look forward to the complete wastage of our fruit, egg and fish harvest this summer, unless immediate action is taken by the government to instal a controller in the box factories and cooperages of British Columbia to-morrow morning.

Mr. ILSLEY: May I ask the hon. gentleman a question? If a controller were appointed, is there any assurance whatever that the men would go back to work?

Mr. SINCLAIR (Vancouver North): I feel very badly, I may say, in having let down the Acting Prime Minister previously. I did convey to him, at our meeting, the assurance I thought I had from the leaders that they would consent to accepting his appeal, which they did not do. I do not wish to put myself in the position of speaking on behalf of those who are leading the union. I do not, however, know of any strike in Canada where the government put in a controller, where the men have refused to go back. In the case of the American Can strike last summer, the men went back immediately.

Mr. MAYHEW (Victoria, B.C.): I do not come from a rural riding, but my constituency is surrounded by fruit growers and particularly by small fruit farmers, and I wish first of all to congratulate the hon. member for Fraser Valley (Mr. Cruickshank) on the way he has presented his case to-day. I think he has set a very high standard for himself and for his future work in this house. However, there are one or two points he mentioned to which I wish to refer, and one was mentioned by the hon. member for Vancouver North (Mr. Sinclair).

One point referred to was the open invoice which was permitted by Donald Gordon. That was merely an open invoice; it was not an open price, and it was something that was to be settled at a later date. It is a small point, but it is one to which reference has been made and I thought I should make it clear. Immediately that letter was issued, the wartime prices and trade board did send to Vancouver someone to negotiate with the box manufacturers for a price on crates and hallocks and eventually they arrived at a price which gave that industry the ten per cent increase. They no sooner had that adjustment made than the strike occurred, and naturally that tied up things entirely. As to whether that price would be sufficient now, it is not for me to say, but probably it would be open for negotiation. Certainly at the time the price was sufficient to maintain a profit.

It has been said here that the cooperages and box plants have been closed down for lack of logs or in consequence of converting their lumber to other uses. That is hardly

the truth. The cooperage does not make lumber; it makes only barrels, and the barrels are not only distributed in British Columbia, but are exported almost throughout the world. One of the cooperage factories is next door to my closest neighbour in business, and therefore I know they have been going steadily ever since the war began, and there was no let-up in that cooperage plant prior to the strike.

I know it would help greatly if the box factories would open and get going. I know it would help considerably to have some of the fruit for which we have not packages exported to the United States. I know it would help if we could have the cooperages making barrels, because that is where our shortage is greatest. We have not enough to take care of the present crop; I understand that our shortage is 35,000 barrels. But putting in a controller, much as I should like to see it done in these industries, particularly the interior box factories, would not entirely solve the situation unless we included as well the logging operations in the greater part of Victoria.

I appeal to the box manufacturers, the workers and the loggers to try to settle the strike and to do so within the shortest possible time. It is going to have a continuing effect and this strike will spread to many other industries. This morning I had a long appeal from the pulp and paper association, the one I am most interested in, pointing out that a month is the maximum period during which any of them can run with the present stoppage of work in the mills; and if the pulp and paper mills go down, then again containers will be badly affected. I think, therefore, that a further appeal should be made to these people to resolve their differences and get back to work.

It should not be a matter of trying to see who can get the most out of the short supply of material. I do not think either side is wholly to blame in trying to grab for itself more than is really coming to it; but as far as the fruit is concerned the consumer in this instance can, I believe, help the producer or the farmer to take care of his fruit crop. It is not so long ago that we had to take our fruit to the factories or take it to our homes, not in to-day's modern type of boxes, crates and hallocks. Many a time we had to pack our fruit in whatever we could obtain. We packed our apples in bags and brought our berries in containers of many kinds, and I am sure the consumer to-day would be only too glad to bring home his berries himself in whatever containers he has. In that way he would help out considerably in the supply of crates, boxes and hallocks.

I appeal also to the producers. I think they can go a little too far in their price. The price ceiling has been removed and to-day they are not giving very much consideration to the consumer. If we want the price ceiling to remain in effect in Canada and operate fairly to all, the first thing we must do is to stamp out the man or woman who wants to be greedy or to take advantage of the situation in which we find ourselves to-day.

In the present situation our first obligation is to see that there is fair play. I am afraid that in this strike, from the point of view of the farmers, the situation is not what it should be. I understood last night that strawberries were selling at forty-five cents a hallock on the coast at this time of the year. I am sure that is too much. The consumer has some rights in this world, not only the producer, and I am a producer myself.

Yesterday the hon. member for Fraser Valley said that the berries were rotting in the ground. I am sure he did not wish to convey quite that impression. The height of the strawberry season will be about from the 17th to the 20th of this month. Raspberries will come a little later and cherries about the same time. I believe we have at the present time enough crates and barrels to take care of the immediate supply of strawberries and cherries and some of the raspberries. But if these containers are all used up for that purpose we are going to be short for the later crops. I quite agree with those who say that, no matter how quickly we get back into the production of crates and hallocks, we shall never catch up with the demand this year. This will be the largest fruit crop in the history of British Columbia. It is estimated that the apple crop in the Okanagan valley alone will amount to eight million boxes. I am sure that would sound like splendid news to the starving people of Europe and to the children in England who probably have not seen an apple for years. Are we, the workers, factory men and farmers, going to fight with one another and prevent that badly needed food from going to these people? Surely to heaven there is more humanity in the people of Canada than would seem evident at the present time. If there is anything anyone can say or do to-day, not to agitate the matter but to appeal to the sense of justice and the humanitarian feelings of people to get the men back to work producing so that others may eat, instead of having

the food wasted, let us do it. I say it is flaunting providence for us to let this stuff go to waste to-day, and in the end we shall pay for it unless we take immediate steps to correct the situation.

Mr. C. C. I. MERRITT (Vancouver-Burrard): I think all hon. members who have spoken this afternoon have emphasized the fact that one must be very careful not to say anything which would seem like taking sides. That is probably a wise attitude for hon. members to adopt, because even those from British Columbia cannot know the full facts of the case. One gets the viewpoints of the opposing sides, but not being on the spot, it is impossible for one to know which combination of facts to accept. There is, however, one thing upon which I think all hon. members, regardless of party, have shown complete agreement; that is, that the public interest is the most important matter we have to consider, and that in this strike the interests of the people of Canada and the whole economy of British Columbia are vitally affected.

This afternoon we heard, particularly from the mover of this motion as well as from other hon. members, how important this strike is in its effect upon the fruit crop, and I want to add a few words to show how important this strike will be in its effect upon the housing situation next winter; what an important effect the lack of the lumber which could have been produced during the period of the strike will have, particularly upon the comfort of veterans in the country during next winter, because I think inevitably these housing troubles fall most heavily upon the veteran. Then, of course, the whole economy of British Columbia is directly affected by a large-scale strike in our chief industry. I do not suppose we shall ever be able to measure accurately the extent of that loss to the province. So I cannot help feeling that whatever side one takes in this dispute, whether the side of the operators or the side of the loggers, the side of the public is much more important than either.

I should like to read an extract from an editorial which appeared in the Vancouver *Sun* of May 23 of this year, and which seemed to me to put the position very well. This was written before the failure of the last attempt at settlement by Chief Justice Sloan. The editorial states:

> A swift settlement of the woodworkers' strike appears likely through mediation of Chief Justice Sloan. When it is all over it will have been largely a pushing match between organized labour and organized employers. Each side will take up its respective position at the place where the dispute comes to rest and business relationships will be resumed from there.
>
> This is a rough method of arriving at industrial peace. The public, which has been squeezed in the test of strength, knows just how rough it is in its effects. Yet the government, representing the public, is content with its role as an ineffectual referee. Instead of making an intelligent analysis of the issues and informing the public of the facts, the government gives its tacit approval to the theory that economic might is economic right.

This is a long editorial; otherwise I should like to put it all on record, but in conclusion it says:

> The more that the rights and powers of unions are guaranteed and defined by law, the more their duties and responsibilities will be brought under the control of law.
>
> Until that time comes, labour and management in British Columbia will continue to batter out costly compromises by rule of thumb. The public would prefer a more sensible approach, based on law and equity.

On May 21 the Vancouver *Province* also published an editorial dealing with this matter. The editors of these newspapers probably know more about the merits of this strike than private members of this house can know, and the *Province* says:

> There are so many things in connection with the strike that revolt the common sense of the ordinary man, wherever his sympathies lie.

Three of those things mentioned in the editorial are:

> The idleness of nearly forty thousand men in the face of a serious building material scarcity.
>
> The utter waste involved in the loss of millions of work hours.
>
> The failure of either provincial or federal government to take a strong position though the interest of the public is paramount.

It seems to me these two newspapers have taken the position that has been taken by hon. members of this house, namely that the interests of the public are paramount and that it is time a lead was given by the government as to the manner in which this strike may be satisfactorily settled. With the failure of Chief Justice Sloan's last attempt I suppose the Minister of Labour (Mr. Mitchell) will have other irons in the fire and other negotiations to put forward, and I know we all wish him success in those negotiations. But, as the hon. member for Vancouver North (Mr. Sinclair) has said, this strike may easily go on for another month or so. While the woods may be closed down for that period, in order to reduce the fire hazard, I think it is almost equally important that the sawmills should be brought back into operation right away. I believe public opinion in the country and particularly in British Col-

umbia, which is principally concerned, is probably pretty clear in connection with the strike. Of course the minister will know better than I what that public opinion is; but I suggest to him that in this, perhaps more than in any other strike we have had in the country since V-J day, there is a great opportunity for him to give leadership to that almost completely formed public opinion, and move in and bring about a settlement of the strike very shortly. I do not care what method he uses, whether it be through a controller in some plant, through a public appeal, or some other method at his disposal. Whatever method he uses, I am sure all hon. members will support him. If the debate this afternoon has done anything to clarify public opinion, then surely it must show to those who are concerned that we here consider the public interest of much greater importance than the difference between the two contesting parties.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, this motion has to do primarily with the position in which the small fruit and tree fruit industries of British Columbia find themselves at this time. The situation is tragic. It is tragic for the men and women engaged in the industry and also for the other people in British Columbia. It is tragic, indirectly, for people throughout Canada and for those in other nations of the world where there is a great shortage of food.

The hon. member for Fraser Valley (Mr. Cruickshank) was right in bringing the matter before the house this afternoon. I am afraid, however, that it is only one part of the difficulty, because the tragedy goes much deeper. Lumber happens to be the chief product of British Columbia, and with the lumber industry tied up as it is to-day in that province, every activity in the province is affected. This tie-up also affects directly the prairie provinces and eastern Canada and those overseas markets to which we ship a large percentage of our lumber production.

I suggest that this afternoon the Minister of Labour (Mr. Mitchell) should make a full and frank statement of his views on the whole situation. He has been in touch with it from the start. He arranged to have Chief Justice Sloan act as mediator. I believe that there was nothing official about the appointment, but that it was made only in an attempt to get the two parties together. The chief justice of our province is a young man. He was born there and knows the lumber industry from top to bottom. Only recently he concluded a thorough survey of the industry, as the sole commissioner, appointed under a royal commission, and he brought in an excellent report. I do not think anyone from that province would question his standing.

Mr. MACKENZIE: Hear, hear.

Mr. REID: Hear, hear.

Mr. GREEN: On Monday of this week the chief justice brought in his recommendations as to the way in which this strike should be settled. He recommended:

1. A wage increase of 15 cents an hour "across the board."
2. An average working week of 44 hours in the logging industry, in the following manner: 48 hours in the months of April, May, June, July, August and September, with time-and-a-half pay above 44 hours, and a 40-hour week during the other months of the year. A straight 44-hour week in sawmills.
3. A voluntary revokable check-off for union dues.

It is understood, of course, that between April and September it is possible to work longer hours in the woods than during the winter months.

The premier of British Columbia issued a statement at once suggesting that both parties accept these findings. A joint statement was issued by Premier Hart and Labour Minister George Pearson, in which they said this, among other things:

With the national housing emergency still prevailing, with a food shortage in Europe aggravated by the potential slowing up of shipments of food stuffs and with the general disruptions of the economy of Canada and B.C. in particular, as a result of this strike, we appeal to lumber operators and workers alike to come to a common accord and resume their labours in conformity with the recommendations laid by the chief justice.

We feel that Mr. Justice Sloan has given a most careful and thorough study of these problems.

Then the Minister of Labour (Mr. Mitchell) made a statement in reply to the hon. member for Nanaimo (Mr. Pearkes), as reported at page 2154 of *Hansard* for June 4. Dealing with the report of the chief justice the minister said:

I hope that both sides will have the good sense to accept what I call a very fair report. It is not often that I use an expression of that kind in the House of Commons. I always endeavour to walk down the middle of the road.

Mr. Coldwell: To sit on the fence.

Mr. Mitchell: Well, that is all right. I believe it is sensible, it is fair, and it is sound.

I do not know whether the minister meant that sitting on the fence was fair, sensible and sound, or that the report of the chief justice could be described in that way.

Mr. MITCHELL: My hon. friend is giving the best exhibition of sitting on the fence that I have seen in many long days. He wishes me to be frank, but he is afraid to be frank himself.

Mr. REID: Sometimes it is safer.

Mr. GREEN: I think the minister meant that the statement of the chief justice was fair, sensible and sound. Then he continued:

> I hope that the I.W.A. will have the good sense to see to it that they recommend it to their membership so that the necessary assistance can be given to farmers of British Columbia in connection with the forthcoming crop in that province.

That was three days ago. Press dispatches this morning from the Montreal *Gazette* state that the chief justice and the minister of labour of the province have been in touch with our federal Minister of Labour continuously up to the present time. The I.W.A. has rejected the proposal put forward by the chief justice, whereas the operators have accepted it.

The Minister of Labour is in a difficult spot; there is no doubt about that. I have great sympathy for him. But a recommendation has been made. Responsible people have said it is a fair recommendation; and if the Minister of Labour believes that is so, then he should say so this afternoon, so that the people in British Columbia may have his statement before them.

Mr. ILSLEY: He said so, did he not? He said so the other day.

Mr. GREEN: I should like to have him say it to-day. I am afraid that in connection with these disputes we are getting into a position where everyone is neutral, with the result that there are certain people who have as their objective the creation of trouble of one kind or another in the country. Right along, the public have had a tendency to say, "Oh, well, it is just one of those things that cannot be helped. We have just to suffer and put up with it. After a while everything will be straightened out." I believe we shall have to devise some way of getting the actual facts before the public better than we are doing to-day, and also of having these strikes settled more quickly. They are upsetting the whole economy of the country, and we must devise some way in which they can be settled more quickly than they are under present conditions.

I would ask the Minister of Labour to go fully into the question when he speaks. So fas as I know, I believe everybody would be wise to get right back to work on the basis of the proposal the chief justice has made. It is only for one year; I understand it is recommended that the basis be accepted only for that length of time; during that time it might be possible to work out a solution more satisfactory to both sides. Action should be speeded up right away in order that we can have the wheels turning and supply the starving people in other parts of the world with food in so far as Canada is able to do so.

[Mr. Green.]

Mr. H. G. ARCHIBALD (Skeena): Mr. Speaker, I should like to state first that I am not going to take a non-partisan view; I am going to take a partisan stand on this matter. I notice that this debate has been brought about because a crisis now exists in connection with the packing of fruit. If it had not been that there was this crisis in fruit packing; if it had been just a case of the loggers being out on strike, then, if any one had risen and pointed out that the families of the loggers were suffering he would never have been able to be heard on this floor.

Mr. SINCLAIR (Vancouver North): Did you try?

Mr. ARCHIBALD: No, I did not try. I just happen to know that.

Mr. SINCLAIR (Vancouver North): The hon. member for Fraser Valley did on behalf of his farmers.

Mr. ARCHIBALD: It was tried last year in connection with the Ford strike. This strike has been caused because for years there has been an exploitation of the loggers. I happen to know because I have worked in the camps and I have worked on the rigging. During the war the loggers received no wage rate comparable with those paid to war workers, especially in the shipyards.

Mr. SINCLAIR (Vancouver North): On the Queen Charlotte islands they got $18 a day.

Mr. ARCHIBALD: They paid high wages on the Queen Charlotte islands, but I should like to see the hon. member in one of those camps on the Queen Charlotte islands where it rains all the time.

Mr. MACKENZIE: He was in Africa.

Mr. ARCHIBALD: He was in Africa where it is nice and sunny. I went through the battle of Prince Rupert and at times it was rather damp. I was sent by a government that did not have sand enough to conscript enough men to send over there. That is the answer.

Mr. SINCLAIR (Vancouver North): You were conscripted!

Mr. ARCHIBALD: I was not conscripted.

Mr. SINCLAIR (Vancouver North): You dodged the draft in the shipyards as long as you could.

Mr. ARCHIBALD: During the last war the camps were cleaned up by the I.W.W. They put blankets in the camp and had better meals served in spite of the opposition of the camp operators. We now come to another cleaning up process. During the war these men did not go out on strike. They abided by the rules laid down, and now they are asking for a square deal. I notice in these disputes that the blame is always placed on the industrial worker. I am not saying that that is done all the time in this house, but a great many times the strikers are blamed. In this case they are blamed for not separating the box industry in order that the box manufacturers may be supplied. Once you start that sort of thing, it will be just the thin edge of the wedge to break the strike.

These men live under constant fear. The very nature of the work makes their life in camp bitter and harsh. After years of struggle in the camps, these men have realized that the social conditions in the camps must be changed. These men live an isolated existence and they have a great deal of difficulty in forming a home. They work in the camps for three or six months completely isolated from their families, and then they come in and blow all their earnings. I do not blame them because I would do so myself if I were in their position. By means of this strike, they are trying to attract the attention of the people of the country to the conditions under which they live. This is one of the most dangerous occupations in the country, even more dangerous than mining. It is almost like war when you get up on the rigging and are working under high speed and constant tension.

Mr. J. L. GIBSON (Comox-Alberni): Mr. Speaker, I had not intended to take part in this debate because I felt that the hon. member for Fraser Valley (Mr. Cruickshank) had presented the case very well for the fruit growers. I sincerely hope that the Acting Prime Minister (Mr. Ilsley) and the Minister of Labour (Mr. Mitchell) will see fit to consider his recommendation to open the box factories. I know they are both too old hands at this business to walk into any obvious trap which would result in dissension being created between the government and the workers. From my own experience I have a feeling that the leadership of the unions might conceivably be anxious to have the government and the workers come to blows. That would be a most unfortunate thing to have happen.

The hon. member for Skeena (Mr. Archibald), with his vast experience in the lumber industry, has made some harsh statements with regard to the conditions under which the men live. I am glad that he took a partisan stand on the matter because I expected that that would be exactly what he would do. I happen to be familiar with the lumber industry and I can say that it pays the highest wages of any industry in Canada. One of the recommendations made by Chief Justice Sloan will result in dishwashers in the camps, the men in the kitchen, being paid $7 for an eight-hour day. That does not sound to me to be exploitation, especially when compared with the conditions that exist in other parts of Canada.

My hon. friend said that wages did not increase in the lumber industry during the war, but I would point out that there has been an over-all increase of 57 per cent. Of all the workers in Canada I think the loggers were probably the better treated. The operators were well treated at the same time. The lumbering industry is the one industry in Canada that has the least to complain about. As I say, wage costs increased 57 per cent. The cost of manufacturing or producing a thousand feet of logs increased 107 per cent at the same time.

My hon. friend said that there were no strikes in the industry during the war, but I found that it was not until Russia entered the conflict that the labour leaders in British Columbia began to be concerned about whether Canada produced any lumber at all. They certainly were not the least bit concerned about Great Britain getting any. I can assure the house about that.

I have tried to take some part in the settlement of this strike in British Columbia. My constituency has probably a higher percentage of lumber workers than any other in the province. I am probably a poor politician, but I took it upon myself to reply to the telegram which Mr. Pritchett sent to all members of the house asking for our opinion on this strike. I took it upon myself to wire back my views on the matter in specific terms. I did not quibble about the situation at all. I told Mr. Pritchett that I believed it would be a very fair settlement if there was a fifteen cents an hour over-all wage increase, but I said that I thought the forty-four hour week should continue for the present because we needed lumber so badly. That was about two weeks before Chief Justice Sloan brought in his recommendations.

I suggested also that the union security issue should go to arbitration. Mr. Pritchett replied to me in the following words:

If same sentiments existed with operators' representatives as you have expressed dispute could be settled in fifteen minutes.

There you have approval of substantially the same suggestions that were made by Chief Justice Sloan. Mr. Pritchett expressed his approval of that settlement at that time.

Mr. COLDWELL: How long ago was that?

Mr. GIBSON (Comox-Alberni): On May 25.

Mr. MacNICOL: When did the strike start?

Mr. GIBSON (Comox-Alberni): On May 15. Mr. Pritchett, of course, would not miss the opportunity to create any dissension he could, because immediately he received my telegram it was broadcast all around Vancouver and British Columbia that the operators were weakening, that Gibson Brothers and certain of the small operators were looking for a settlement of the strike but that we were coerced into withholding a settlement. That has no foundation in fact at all.

Mr. REID: Have you communicated with him since?

Mr. GIBSON (Comox-Alberni): I have not heard from him since. I do not care to communicate with him any more because, so far as I am concerned, he is entirely unreliable. They took my telegram with reference to fifteen cents an hour increase and a forty-four hour week, and then their paper came out with the statement that Gibson suggested that a fifteen cents an hour increase and a forty-hour week be given. That was absolutely untrue. My suggestion was a forty-four hour week. So that I have lost all sympathy with the leaders of the lumber workers. I feel that Mr. Justice Sloan's report was very fair and an equitable solution of a difficult problem out there. I believe now, unless the government steps in, that if a secret ballot were taken of the lumber workers they would return to work. I was talking with Port Alberni on the long-distance telephone last night. The union had called a meeting there to discuss Mr. Sloan's proposals, and they used the old strong-arm union tactics of no secret ballot. With 400 men there it takes courage for a man to stand up and attempt to go against the wishes of the leaders who want to continue the strike. I just wanted to put that statement on the record in reply to the hon. member for Skeena.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, now that the British Columbia members have expresed themselves with respect to the question of assuring an adequate supply of containers for the British Columbia berry producers, I believe it is fitting that the Alberta members should go on record with regard to this whole question.

We sympathize deeply with the British Columbia fruit growers, first because they live in our sister province of British Columbia, and, second, because they are our fellow agriculturists, fellow tillers of the soil. Theirs are the hazards from weather, disease and insects, and theirs are the anxieties concerning markets and prices which are common to all agriculturists everywhere, wheat growers and all other producers of primary products.

We are perturbed because of the danger too of the loss of great quantities of fruit, first, because it means the loss of food valuable and precious in this time of threatened famine, and, second, because the fruit which the people of Alberta use comes in the main from British Columbia.

We are anxious about the lumber strike. It is hard for us to understand fully this lumber strike, but the remarks of the hon. member for Comox-Alberni (Mr. Gibson) have given us some insight into the whole situation. We deeply regret that some formula has not been found and agreed upon, at least to tide us over a serious situation.

Mr. SPEAKER: I am sorry to interrupt the hon. member, but I call his attention to standing order No. 31, which requires that speeches must be relevant to the motion that is before the chair, and the motion before us is to discuss problems in British Columbia. I do not think I should permit the house to discuss what is going on in any other province than the one mentioned in the motion.

Mr. BLACKMORE: I can only guess at what Your Honour is saying, because it is impossible to hear you down here. I shall endeavour to speak loud enough so that Your Honour can hear what I am saying.

It seems to me that some formula ought to have been discoverable somewhere to tide us over not only a serious situation regarding fruit and egg and fish supplies, which are all endangered by the strike, but also a dangerous housing situation from which we are all beginning to suffer across this country.

We see in the situation a warning that the most careful attention must yet be given to the whole matter of equity and stability in our economy. The remarks of the two members who spoke just before me clearly indicate the sharp cleavage of opinion which exists

in that part of the country and which must somehow or another be reconciled. Ways and means must be found of establishing and maintaining equitable and stable prices and wages and dependable and adequate markets as a fundamental basis for confidence in industry. Everywhere in this country to-day there is a loss of confidence. Just what are the causes we can only conjecture, but certainly something serious and earnest must be done. That is the way we feel about it.

I should like to congratulate the hon. member for Fraser Valley (Mr. Cruickshank) upon the excellent way he presented his case and upon the courage he exercised in bringing the whole matter to the attention of the house. I wish to assure him and all our fellow citizens in British Columbia that we from Alberta are with him.

Mr. T. J. BENTLEY (Swift Current): I do not profess to deal in any knowing way with the situation at British Columbia, but I did like the presentation of the hon. member for Fraser Valley (Mr. Cruickshank). I want to point out how the situation in British Columbia affects us on the prairies. It does not affect us as vitally, of course, as British Columbia itself. Nevertheless in the part of the prairies from which I come we depend almost entirely for our fruit supplies on imports, chiefly from British Columbia; and in a year like this, when a great many parts of Saskatchewan have been visited with frost which is likely to destroy our crops of wild fruit, our fruit supplies from outside are more important than in ordinary years. To get our fruit from British Columbia we must get it in containers, so that we in Saskatchewan are much concerned to see that the proposal of the hon. member for Fraser Valley is carried out in the terms proposed.

Mr. CRUICKSHANK: Mr. Speaker—

Mr. MacINNIS: On a question of privilege, Mr. Speaker, I wonder if the Minister of Labour (Mr. Mitchell) would make a statement before the hon. member for Fraser Valley closes the debate?

Hon. HUMPHREY MITCHELL (Minister of Labour): I have no objection, although I have nothing to add, because I think hon. members have covered the waterfront already. But if the house thinks it necessary I shall make one or two observations.

I have not changed my opinion from the day I answered the question addressed to me by the hon. member for Nanaimo (Mr. Pearkes). I think it was a fair and reasonable settlement, and I hope even at this late date the leaders of the men will have the good sense to accept it, in the interests of organized labour; let us put it in that way. I have seen the development of that organization in British Columbia. It had its genesis during the difficult period of the war. The hon. member for Comox-Alberni (Mr. Gibson) has said that there is a group of so-called leaders in this country who, prior to Russia coming into the war, were not greatly concerned about what happened to our way of life. I think that is a bald statement of fact and the country should know it.

Mr. MacINNIS: You should have known before the last election. You were so friendly.

Mr. MITCHELL: I do not know whether they voted for my hon. friend but they ran a candidate against me. My hon. friend, like myself, knows the game.

Mr. MacINNIS: That is right.

Mr. MITCHELL: There are people in this country who do not want settlements of disputes; they prefer disorganization and agitation all the time.

I think the Acting Prime Minister (Mr. Ilsley) made a reasonable request to the men's leaders. It would not have prejudiced their position at all if they had accepted his very sensible suggestion; the strike in the other part of the industry might have continued, but a service would have been rendered to the farmers who, under this present situation, are absolutely helpless. I do not wholly agree with what was said by, I believe it was the hon. member for Skeena (Mr. Archibald). I do not think men in public life render any service to their people or to the nation by discussing a dispute of this description in the language he used this afternoon. Let us be perfectly honest about this; there is no attempt on the part of the operators to destroy the men's organization; what is in question is the wage structure of the industry. I sometimes wonder what kind of world we are living in when I listen to some debates in this House of Commons. I appreciate that you have to talk to the boys back home. Yet the statement cannot be challenged that never in the history of Canada has the income of the farmers been so high or have the wages and salaries of people engaged in industry and commerce reached the plane they are on to-day. I am very glad of that condition.

Mr. COLDWELL: Or the profits of the corporations. Put in all three.

Mr. MITCHELL: I shall come to that: I am glad the hon. member mentioned it. My mind goes back to 1919. I do not think we have now such war profiteers as emerged from

the first great war, and it is to the credit of the government and of the Canadian people that we passed through the recent war without any serious accusations of dishonesty in connection with the billions of dollars which were spent for the successful prosecution of the war. Also let it be remembered that our money is worth more than it was in 1919. It is not fair to make such representations to working people as one hears from some members of the opposition, and I do not believe that our friends of the Conservative, the C.C.F. and the Social Credit parties, in their quiet or more sensible moments, believe some of the things they say.

Mr. MacNICOL: The Conservatives are always sensible.

Mr. MITCHELL: I shall comment on that in a moment. What my Conservative friends want, for reasons best known to themselves, is a complete lifting of the price structure.

Mr. SMITH (Calgary West): Nobody ever said that at any time.

Mr. MITCHELL: My hon. friend is probably sorry that he said it.

Mr. SMITH (Calgary West): It never was said.

Mr. MITCHELL: I shall take my hon. friend's word for it. I see that an hon. member representing another group, the member for Vancouver East (Mr. MacInnis), is ready to jump on me. His party thinks you can maintain a stable price structure and at the same time increase wages out of all proportion to what they should be in conformity with that structure. Some of the younger men who spoke this afternoon have no personal knowledge of what we went through after the last war, so that there is some excuse for their ignorance. But I recall how the working classes suffered through the almost uncontrolled inflationary movement which took place particularly in the year following the ending of the first great war.

Mr. JOHNSTON: You are getting up pretty fast now.

Mr. MITCHELL: That may be true. My hon. friend is doing his part in that direction, too. I do not need to remind hon. members that it is not too easy to say the things I am saying at the moment, but I think that if all of us said them it would give leadership in this country.

Mr. JOHNSTON: We would be called to order if we said what you are saying now.

[Mr. Mitchell.]

Mr. MUTCH: The hon. member is out of order. We are not in committee.

Mr. MITCHELL: I am not going to take the position that you can protect the living standards of the farmers and working people without some measure of control. It is the privilege of those who take the opposite point of view to express it, but in that regard I think I know what makes the clock tick.

In connection with this dispute in British Columbia, all we asked was that these several factories which manufacture the necessary containers for the fruit should be reopened. I sometimes wonder what would happen if the farmers took a leaf out of some people's books and went on strike themselves. To my mind it is absolutely indefensible under the circumstance of this dispute. A concession on the part of the men's leaders of the kind proposed would in no way jeopardize their position; it would at least give public opinion, particularly in British Columbia, a different idea of the ability and the leadership of those who are supposed to be leading the men in the present dispute.

I might also remark that the location of this dispute is three thousand miles away over the mountains, in British Columbia; I have to be continually in touch with the provincial government, and it is difficult to administer a department when you have disputes, at the moment, from one end of the country to the other. For that reason I am inclined to agree with my Social Credit friends about the merits of decentralization: one should be right on the ground in order to face up to the difficult situation we have in British Columbia at this time. Let me, in conclusion, again suggest to the leaders there that they make this necessary concession to the defenceless farmers of that province.

Mr. CRUICKSHANK: I understand I am not allowed to say anything in withdrawing the motion, but after listening to the last speaker I think anybody would be in order. I want to express thanks to you, Mr. Speaker, and to most of my colleagues, private members of all parties, for the cooperation they have given in the discussion to-day.

Mr. SPEAKER: As it was mentioned by the hon. member for Fraser Valley, according to *Beauchesne*, second edition, section 250, it is the custom for the mover of a motion such as this to withdraw it when the debate is over.

Mr. MacKINNON: He did that.

Motion withdrawn.

PRIVILEGE

REFERENCE TO EDITORIAL IN MONTREAL DAILY STAR OF JUNE 4.

Mr. H. G. ARCHIBALD (Skeena): Mr. Speaker, on a question of privilege I should like to draw attention to a matter which affects me and might affect any member of parliament; that is, regarding the use of the frank. An editorial in the Montreal *Daily Star* of June 4 involves my name in a matter with which I had nothing to do. Perhaps I should read the editorial to show what a member is up against. It is called "The Unsoft Impeachment", and it reads as follows:

From time to time the *Star*, in common with every other newspaper in Canada, receives through the mails scurrilous comment on its editorials, or news items. If they are unsigned, they immediately find a resting place in that large wastepaper basket that stands beside every editor's desk. If they are signed, their contents are considered on the merits and, if worthy of publication, published.

But to-day one such piece of comment arrived which fits into neither category. True, it is scurrilous, and it is unsigned, but it arrived under such distinguished auspices as to warrant further attention being given to it.

At the top of the *Star's* editorial page of Friday, May 31, torn ruthlessly from the rest of the paper, there stands, written with the customary elegance of the anonymous school, this comment on an editorial dealing with the Canadian lake seamen's strike: "This stinks!—You live fat on the labour of unpaid workers in your own plant!" (The emphasis is that of our correspondent.)

Now we are not in the least hurt by this unkind reference to our avoirdupois, nor to the odoriferousness of something that may after all only have been printer's ink, but we are somewhat astonished by the distinguished auspices under which this anonymous contribution to the higher criticism reaches us.

The editorial page with its written comment came to us from the House of Commons, bearing the House of Commons postage "frank" and, on the other side of the envelope, the "frank" of a member of parliament—"H.G.A., M.P." The parliamentary guide attributes these initials to the C.C.F. member for Skeena, B.C., who, oddly enough, is described as "seaman," and who is so far off his course as to have permitted some unkind friend the illegal use of his parliamentary "frank."

I lock my stamp in my desk every evening religiously, so that how this happened I do not know. I may say that I quite agree with the comment but I would not have put it in those words.

LABOUR CONDITIONS

TYPOGRAPHICAL UNION—SOUTHAM NEWSPAPERS

On the orders of the day:

Mr. ALISTAIR STEWART (Winnipeg North): I wish to direct a question to the Minister of Labour. In view of the fact that the dispute between the typographical union and certain newspapers centres in Winnipeg, will the minister make another attempt to bring together representatives of the union and the Winnipeg *Tribune*?

Hon. HUMPHREY MITCHELL (Minister of Labour): I wish to thank my hon. friend for having given me notice of the question. I shall be glad at any time to assist the parties to an industrial dispute in adjusting their differences, if they desire me to do so, and after consultation, of course, with the authorities in the province, which in this instance is Manitoba. But I have to receive a request and I have had no request from anyone.

C.P.R. EMPLOYEES—PENSION RIGHTS

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I wish to direct a question to the Minister of Labour, notice of which I sent him yesterday. Has the Department of Labour received a reply from the Canadian Pacific Railway, with reference to the report of the department's industrial relations officer on the matter of the restoration of pension rights to certain employees of the C.P.R., which was referred to the company last December. Also may I ask if a copy of this report has been referred to the other interested parties, namely, the unions that requested the investigation?

Hon. HUMPHREY MITCHELL (Minister of Labour): The reply of the company is being studied. It is not customary to give copies of these reports to any parties to the dispute, but in view of the peculiar circumstances of this dispute, which went back to 1919, we did so in this case. As soon as we have studied the matter I shall be glad to give my hon. friend the answer.

Mr. KNOWLES: May I ask a supplementary question? Since it is a dispute between two parties, and the government made an impartial investigation, if the report is referred to the company as one of the parties, should it not be referred to the other party as well, namely the unions?

Mr. MITCHELL: The company were not there when the evidence was taken in Winnipeg. We have to be very careful about these matters. I say that frankly, because if it becomes a practice to make these reports public we shall never get a frank report, since they will have an eye to public effect when we want a factual report.

Mr. KNOWLES: The minister will give us a report as soon as he gets a definite reply?

Mr. MITCHELL: Certainly.

CUTTING OF PULPWOOD—PRISONER OF WAR LABOUR

On the orders of the day:

Mr. W. M. BENIDICKSON (Kenora-Rainy River): I wish to ask the Minister of Labour a question, notice of which I have not given him since the information reached me only while he has been on duty in connection with this debate. I have received advice to-day that the Department of Labour has issued an order withdrawing an additional three hundred prisoners of war now engaged in cutting pulpwood in the district of Kenora-Rainy River. Since one woods company alone in that district has been unable to obtain bushmen to fill 800 advertised jobs, and the deferment announced respecting prisoners of war in the sugar beet industry—

Mr. SPEAKER: Order. The hon. member must confine himself to a question.

Mr. BENIDICKSON: Will the minister arrange with the British government for a postponement of the return of these prisoners of war in the Kenora-Rainy River district?

Mr. MITCHELL: The situation is quite clear. These are not our prisoners of war but men who were taken prisoner by the British forces. We merely acted as custodian for them in view of the tremendous pressure in Great Britain on food and so on. The war is over and it is now a question of shipping space. If we had ships they could stay longer. But we expect to get most of our people back from Europe, soldiers, airmen and their wives and families. When that has taken place there will be no more ships at our disposal, and it is absolutely necessary to move all these people out as soon as shipping becomes available. I would rather see our men get home from Europe. That is our first obligation. If there should be a delay in that regard the prisoners can stay a little longer.

EXPORT OF TRUCK SPRINGS TO DETROIT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Yesterday the parliamentary assistant to the Minister of Munitions and Supply promised to give an answer to a question which I placed before him regarding the export of steel springs from Windsor to Detroit. He is not in his seat and the minister is not here. Perhaps the answer can be given on Monday. I simply wish to remind him of the promise.

Mr. MACKENZIE: It will be seen to.

At six o'clock the house took recess.

[Mr. Mitchell.]

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 166, for the relief of Lillian Audrey Atkinson Jackson.—Mr. Casselman.

Bill No. 167, for the relief of Bernard Cook.—Mr. MacLean.

Bill No. 168, for the relief of Estelle R. Warhaft Slobod.—Mr. Maybank.

Bill No. 169, for the relief of Alexander Fitz Ormonde Spooner.—Mr. Maybank.

Bill No. 170, for the relief of Eleanor Williams.—Mr. Maybank.

Bill No. 171, for the relief of Joseph Henri Veaudry.—Mr. Maybank.

Bill No. 172, for the relief of Amelia Jesik Pascas.—Mr. Maybank.

Bill No. 173, for the relief of Cyril Mackie.—Mr. Maybank.

Bill No. 174, for the relief of Carol Gordon Cass Planche.—Mr. Maybank.

Bill No. 175, for the relief of Eveline Richmond Sykes Lacoe.—Mr. Maybank.

Bill No. 176, for the relief of Miriam Vineberg Perel.—Mr. Maybank.

Bill No. 177, for the relief of Paul Krawchuk.—Mr. Maybank.

Bill No. 178, for the relief of Henry Arthur Creates.—Mr. Maybank.

Bill No. 179, for the relief of Stephanie Tymchuk McLean.—Mr. Maybank.

Bill No. 180, for the relief of Annie Spivack Prosterman.—Mr. Maybank.

Bill No. 181, for the relief of Kenneth Edwin Morrison.—Mr. Maybank.

Bill No. 182, for the relief of Almeda Mabel Hartry Ritchie.—Mr. Boucher.

Bill No. 183, for the relief of Margo Ismena Graydon Heubach.—Mr. Maybank.

Bill No. 184, for the relief of Erika Gossen Tenzer.—Mr. Maybank.

Bill No. 185, for the relief of Isabel Greenshields Biggs.—Mr. Maybank.

Bill No. 186, for the relief of Henri Edme Bernard.—Mr. Boucher.

Bill No. 187, for the relief of Nellie Harrison Andersen.—Mr. Maybank.

Bill No. 188, for the relief of Marie Irene Clementine Elizabeth Ash.—Mr. Maybank.

Bill No. 189, for the relief of Alexander Grant.—Mr. Maybank.

Bill No. 190, for the relief of Thomas Beach.—Mr. Casselman.

Bill No. 191, for the relief of Fanny Miller Astrofsky.—Mr. Maybank.

Bill No. 192, for the relief of Grace Ellen Rafter Munro.—Mr. Maybank.

SUPPLY

The house in committee of supply, Mr. Macdonald (Brantford City) in the chair.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

200. Departmental administration, $422,774.

Hon. BROOKE CLAXTON (Minister of National Health and Welfare): When the house was last in committee of supply on the estimates of this department I promised to give some figures in connection with the item of $50,000 provided for the general administration of the department for publicity and information. When I referred to this matter last Friday evening I said that the total expenses up to March 31, 1946, were $24,959.68. A breakdown of these expenditures is as follows: Addressograph equipment and embossing of addressograph plates, $5,459.46; publication of "Canada's Health and Welfare", six editions, $8,871.01. This bulletin is published in both French and English. Twenty thousand copies in French are distributed, and fifty thousand copies in English. The aim of this publication is to keep Canadians engaged or interested in public health work informed concerning developments in national and provincial health and welfare services. The next item is books and periodicals, $657.65; Canadian (Press) clipping service, $1,427.44; film (strip) "Science of Living", $1,399.35; Immunization film clip, $1,411.88. For a biologcial and medical film library, prints of one hundred films on technical subjects, $4,741.24. For a book on care of the feet, $300. This is the cost of the technical illustrations for a booklet which has not been issued as yet, but work on which has been commenced. For Malaria pamphlet and poster, $225.20. For photos, display panels, picture layouts, $346.22. For "British Health", a picture display brought over here from the United Kingdom, $120.25. This makes the total of $24,959.68 to which I referred a week ago.

At that time I was also asked for a breakdown as to how the department proposed to spend the vote of $50,000 now sought under this item for publicity and information. That information is as follows:

Health and welfare bulletin	$23,000
Exhibits for rural fairs, six sets at $250 each	1,500
Photographic services, involving distribution of picture layouts, maps, etc., to newspapers and periodicals	2,000
Newspaper clipping service, within the department	1,500
Window displays and similar exhibits	3,000
Film circuits	3,000
Miscellaneous art work and photography	500

That makes a total of $34,500. The unallocated balance is $15,500. Generally speaking, this vote is sought for educational and information services which are not covered in any specific votes for information and education, under either the health or welfare branches of the department. This vote is to be used for services which will generally benefit the public as a whole, related to the work of the department as a whole.

Then I was asked for details of expenditures made in connection with publicity and information to persons outside the department. Under item 213, nutrition service, expenses of $30, $65 and $50 were incurred to three individuals whom I could name if that is required. Under item 212, the civil service health division, an expense of $210 was incurred for writing and research. Those are the only expenditures coming within that question.

I should refer briefly to some of the remarks of the hon. member for Vancouver-Burrard last Friday night. In his speech he referred to a number of different items, the first of which, in the sequence in which they appear in the report, was an item of $10,000 for publicity in connection with the Indian medical service. This matter is dealt with at page 2082 of *Hansard*. As the hon. member said, this can be dealt with more adequately at a later time. But I would say now that his observations about this item, as all his observations on publicity, information and education, seem to have taken the word "publicity" in these estimates as used in some commercial sense. The expenditures made in the past and the votes now sought are intended for education and information in the broadest sense; and I should think everyone here would agree that the best possible thing we can do for the Indians and Eskimos of Canada is to help them to help themselves. That, very largely, is an educational and informational problem. The item of $10,000 sought for this purpose will be explained either when we reach it, or now, as preferred. The expenses planned under this item are definitely designed to put before the Indians and Eskimos of our country information respecting health, hygiene and nutrition which will enable them better to look after themselves.

The next matter raised by the hon. member for Vancouver-Burrard related to, to use his words:

> . . . another booklet called the "Master Menu Pattern," which, if you please, is a bright little document telling the people of Canada what food to take with them when they go on picnics in the summer and how best to make use of that food.

The pamphlet to which he has referred is "little," and I think it is brightly written; but it is not designed to help picnickers. The pamphlet nowhere refers to picnicking. If it has been distributed to persons who might occasionally go on picnics, no doubt they have found it useful. However, the purpose of the pamphlet, as anyone who looks at it can see, is to assist those who are engaged in planning the operation of camps for children and adults by providing them with simple instructions and suggestions concerning nutrition and the preparation of food.

In his speech the hon. member said that this—

> . . . breaks a good rule of advertising, because it is offered to the Canadian people as a whole, while there is no demand for it.

Then he goes on to say:

> That is the sort of advertising which one can readily approve, where there is a clear need by an obvious class, and where it is almost certain that this class will be only too anxious to read and study and apply that publicity.

With that description of the purpose and aims of such a pamphlet I should be very glad to agree. This booklet satisfies all the requirements. In the first place, it was prepared and issued in response to numerous requests from camp leaders in Canada. In the second place, it was directed toward camp leaders and specific groups interested in conducting children's and other summer camps, so that the food at those camps might make its full contribution to health. In the third place, it was distributed on request only to those in a position to use it. One thousand copies were printed, and the demand was so great that the supply was speedily exhausted. Another edition in French and English was issued, with the result that thus far 2,200 copies have been distributed. We have received a large volume of mail not only commending the publication but also asking for additional copies. These requests and comments come from boy scouts, wolf cubs, girl guides, Canadian Legion war services, the department of health and public welfare, Manitoba, the provincial board of health of British Columbia, the Saskatchewan department of public health, Manitoba pioneer camps, and private camps operated by schools and individuals as well as from the Y.M.C.A., the Y.W.C.A., the department of agriculture of New Brunswick, welfare organizations, girls' work boards and other agencies of various kinds interested in this work.

The preparation of the publication was not expensive. It seems to have met with general commendation, and we feel that we have done a useful job in making it available. This has been appreciated generally, as is indicated by the large volume of correspondence we have received.

The next item to which the hon. member referred was to fillers issued by the department. He chose one and made some fun of it. He said he did not know what a filler was. These fillers are issued frequently by the department for use in radio programmes and in newspapers. They are made available for use by originators of programmes or publishers of newspapers, as they see fit. They are prepared in the department, issued in mimeographed form and, apart from the time of preparation and the cost of the paper, there is no cost involved. We have found that this service is used generally and appreciated. A large number of these items are heard on the air and appear in the press every day. Generally, they seem to be utilized in a way which more than justifies the very slight expenditure of time and money involved in their preparation.

As to the hon. member's comments respecting style as shown in the quotation he used, might I say that every hon. member has no doubt had a good deal of experience with publicity, and all will realize that in respect of any advertisement there may be many views. Every bit of publicity or information issued will not please everyone. Some of us would like to have it written in some other way. To a great extent it is a matter of taste, and all that can be done is to secure the best possible assistance and advice, and to exercise judgment upon the results and use of the material.

Mr. STIRLING: Were they distributed on request, or is there a mailing list?

Mr. CLAXTON: These are sent out to publications and radio stations on a mailing list.

I promised to give the hon. member for Cape Breton South some further information in connection with the serum ACS. As I said, this was first the subject of inquiry in 1943 or 1944, when my colleague the present Minister of Veterans Affairs had authority over the health branch of the department. He made inquiries at that time, which he referred to when the matter came up in the house last week. Shortly after that, the matter was brought to my attention, and I raised with the representatives of the U.S.S.R. in Canada the question as to whether or not they had had any news from Russia of any serum or other possible cure for cancer, arthritis and so on. There was an exchange of correspondence with the ambassador here in which I offered full cooperation with him and he offered full cooperation with me in

the exchange of scientific information. In reply to my inquiry he wrote to say that the material in question was not regarded as a cure for cancer or arthritis.

At that time a small shipment of ACS, which is the abbreviation for anti-cytoxic serum was secured by the Connaught laboratories. Unfortunately that was found to be contaminated, as serum often is, and it could not be used. Another lot was obtained from Johns Hopkins at Baltimore and that was tried out in a number of cases but without any results which would justify its continued use. However, as the hon. member may have seen, the newspapers carried a dispatch referring to this serum yesterday. We shall be glad to see that it is followed up to learn the possibilities.

I have tried to answer the questions of which I made particular note last week, but if there are any others I shall be only too glad to answer them now.

Mr. MERRITT: The minister has given a good break-down of the costs of publicity under departmental administration, and he has also given us the projected expenditures of $34,000 for the coming year. First, I should like to ask: Why ask for the $15,000? I can understand that some contingencies may arise and I should like to know whether this principle—I take it that it is a principle—of allowing for contingencies is followed in connection with all publicity items, or is it done only in connection with this one item?

Would the minister say something about the publication "Canada's Health and Welfare"? The cost last year of putting out six issues was $8,871, and the estimated expenditures for the coming year are $23,000, or about three times as much. How many more issues will be put out this coming year than were put out last year and will it cost that much more? I have volume No. 2 of November, 1945, and volume 8, of May, 1946. I can see that the contents might be of some interest to those engaged in public health work, but I do not believe we are getting our money's worth when it costs $1,700 per issue to put out this publication. From what the minister said yesterday, I understand that that is the monthly cost.

There are only seven pages. There are some personality sketches and then details of a film library. The issue before me contains four general articles with regard to the work of various provincial departments of health. I do not believe these articles are detailed enough to be of any value to a man who is professionally engaged in this work, and they would appear to be too short and too general and dealing with matters in too broad an outline to be of any great value to the ordinary man on the street. Does the minister not think the contents of this magazine could be incorporated in the contents of *Health*, which, I believe, is issued quarterly by a private organization? The $23,000 which would be saved could be applied, let us say to the neurological institute or to some other organization as was suggested by one of my hon. friends to my left. What is the circulation of this magazine and to what type of people does it go? Is it sent out on application or just a general distribution.

Mr. CLAXTON: The hon. member asked whether this item for contingencies was justified and whether similar provision was made in the other votes for publicity. I think the item is justified, particularly in the case of a new department. Hon. members will have in mind that this department was created only on October 13, 1944. It is extremely difficult to get a pattern of the departmental requirements in a new and possibly expanding field down to definite figures within a period of about a year. Remember that these estimates were prepared in November and at that time the department had been in existence for just twelve months. We had been paying family allowances for only four months. A number of divisions had not yet been established and a large number of posts had not yet been filled. It was impossible to foresee with any great degree of precision the exact requirements with regard to publicity. A careful examination was made, based upon our experience during that period and the experience of the predecessor department. These items were put in and it was felt necessary to provide for contingencies in this and in some of the other large items.

With regard to the bulletin "Canada's Health and Welfare", this was first published in October, 1945. There were only six issues covered by the expenditures up to March 31, 1946. As to the necessity of this publication, we took the advice of everyone who has worked in this field and it was thought desirable that the department should have such a publication. It replaced a publication which went out of existence and therefore the net expense to the public owing to the change is not very great. We do not know of any other way of giving current information about matters of health and welfare of interest and concern to all those engaged in this field from one end of the country to the other. This publication, as the hon. member has said, has seven pages in addition to the cover. It has reference to recent developments in the health and welfare field and to recent legislation; it refers to confer-

ences; it reviews books; it lists films and refers briefly to developments in other countries. There is no other way that we know of, of doing that. It would be quite wrong for the government of Canada to expect any private agency to do this for us. The Health League of Canada has a valuable publication, but its purpose is totally different from this, and I believe that it is sent to quite a different constituency. This bulletin is sent to the health officers of the dominion and the provinces, to teachers, to ministers of religion, to municipal health officers, to social service workers and to others who are working professionally in this field of health and welfare. It is not sent to the general public. From the experience we have had so far, we believe that the distribution of this publication is amply justified by the interest taken, that it is a useful instrument to have and that it should be continued. Its form will be changed from time to time as we gain experience, but that it serves a useful purpose we have no doubt whatsoever.

Mr. FLEMING: In the minister's comments on the break-down of the projected expenditure of $50,000 on publicity and information he gave us his views as to the basis on which this item should be made up. He has indicated projected expenditures of $34,500 and a balance of $15,500, to which he referred as a justifiable reserve. He did not, however, answer the question of the hon. member for Vancouver-Burrard as to whether the same principle had been followed in making up the other items on publicity and information. There are some fifteen items altogether relating to publicity and information in the various branches of this department, some of them for large amounts. Has the same principle been followed in connection with them, what one might fairly describe as the principle of projecting an expenditure of two dollars and then adding another dollar as a reserve?

Mr. CLAXTON: As the various speakers have been speaking, I have been going through the estimates, and so far I have found no provision for a similar contingency in the other items. We can find that out definitely as the items come up one after the other. If there are other provisions for contingencies they are of a minor nature. I shall be very glad to give the information as the items come up.

Mr. FLEMING: Thank you. I asked the minister last Friday night, May 31, if he would supply a good deal of information. Some of it he has given to the committee this evening. The information I sought covered all the items in the estimates with relation to publicity and information, and in that connection I asked for the expenditures on publicity last year and for the projected expenditure this year. If it is more convenient for the minister to give that information as we reach the various items, I have no objection to that.

Mr. CLAXTON: I shall do that.

Mr. FLEMING: One further question. May we assume that these estimates were prepared on the assumption that there will be no change in the functions of the department as a result of the outcome of the dominion-provincial conference? In other words, were these estimates prepared on the assumption that the functions of the department would continue as in the past year, unaffected by action on any proposals that were made by the government to the conference?

Mr. CLAXTON: That is right.

Mr. FERGUSON: I notice that a recent issue of this pamphlet eulogized the life work of Mrs. Arthur Murphy, an aunt of mine. I am looking forward with pleasure to the day when the Liberal party will say something nice about Julian Ferguson, even when he has passed on. May I ask if these pamphlets are printed by the king's printer, or are tenders asked from small printing establishments throughout Canada which need as much work as they can in order to carry on?

Mr. CLAXTON: I am afraid I am not in a position to answer in regard to this particular publication. The practice is for the department to ask the king's printer to do the printing or to have it done, and he either does it himself or has it done. I have not the information here as to whether this was done by the king's printer or whether he had it printed outside. I would think the chances of its being done outside are considerable because the king's printer has been so much overworked during the last two years—

Mr. SMITH (Calgary West): It has on it the "king's printer".

Mr. CLAXTON: That is not conclusive. That would merely indicate that it was done either by or through him. The king's printer has been so overworked that it has been impossible to get deliveries in adequate time, and a great volume of printing is done outside. Many printers in Canada are at this time one or two or three or four months in arrears in their work. That is the kind of delivery one gets on a large quantity of printing.

Mr. FERGUSON: May I suggest to the minister that it would be good practice for the future, where at all possible, to have this

work done by outside printing establishments instead of endeavouring to increase the facilities of the king's printer.

Mr. BENTLEY: I was hoping, like the hon. member for Peace River, that we would reach a discussion of resolution No. 13, with regard to arthritis, under notices of motion on to-day's order paper; but since it seems that we are not likely to reach it and since I can find no item in the estimates where special mention is made of arthritis, may I say on this item that I have had a lot of correspondence on this subject. I have not had my correspondence on arthritis and old age pensions mixed up as the hon. member for Calgary West said his was, but I should like to refer to one letter which is typical of the correspondence I received. The writer asks that we strongly support a donation or contribution or grant—whichever is the appropriate term—of $10,000 to the Canadian rheumatic diseases association. I do not know what that association is, but presumably it has some standing or it would not be investigating matters of this kind. Frequent references have been made in this chamber to the subject of arthritis, but it does not seem to strike a chord of sympathy in the official mind, at least as strongly as some of us would hope for. I do not suppose it will be an easy matter to find a remedy for this disease. I shall not quote all the figures I have from various sources as to how many people in the dominion suffer from it, but everybody knows that the number is considerable, because everybody knows, I suppose, a good many people who suffer from it, some seriously. It may be that the sufferers do not die from the disease, as do the victims of cancer and other deadly diseases; but I am convinced that it is the real cause of the death of some people, because their hearts will no longer pump the blood through their twisted bodies, which have got into that condition through years of suffering with arthritis. I am convinced, therefore, that in many instances it is a killer; and if it does not kill in the same sense as a bullet, or cancer, or tuberculosis will do, it kills all the joy of life in those people who suffer from it.

The reason I say that there does not seem to be much interest in the official mind is that I put a question on the order paper one day, asking the minister in charge whether the Department of National Health and Welfare had investigated the method of treatment for arthritis and rheumatic diseases used by Doctor I. J. K. Golden, of Chicago; if so, what were the results of such investigation? The answer to both questions 1 and 2 was a flat "no". There was not even enough interest to go and find out. For that reason I think I should put on the record to-night a letter from a gentleman named J. E. Wilder. Apparently he has some belief in Doctor Golden. I know nothing about the treatment, but I shall read what Mr. Wilder says:

April 3, 1946

Honourable Brooke Claxton,
231 St. James Street West,
Montreal, Que.

Dear Mr. Claxton:

I read the article entitled "rheumatic study urged" in the Montreal *Daily Star* yesterday. I am very much interested in anything that can be done to relieve those suffering from rheumatism and arthritis.

In 1929 I was in Chicago trying to recuperate from a nervous breakdown and rheumatic trouble. Through another doctor I met Dr. I. J. K. Golden, 2238 West North avenue, who was making a specialty of the treatment of arthritis. I had him treat me and the results were so remarkable that I spent most of my time for the next month following up the cases that he treated and was the means of having many of my friends treated by him, all with almost miraculous results. I have seen people come into his office on crutches and after one treatment walk out without crutches or any aid from other persons. The treatment is a serum which he prepares himself and which is given intravenously and intramuscularly.

I was so convinced of the merit of his treatment that I arranged with Dr. George Morgan, senior, 4294 Western avenue, Westmount, who was connected with the Homeopathic hospital, to go with me to Chicago to see the results of four or five bad cases which Dr. Golden was to treat. Dr. Morgan was in Chicago several days and took notes on each case. When he returned to Montreal, he made a report which he submitted to the staff of the Homeopathic hospital. They asked him what kind of dope Dr. Golden used on him when he was in Chicago and refused to credit the report or to make further investigation.

Since 1929 I have visited Dr. Golden several times and had treatments from him. I have never had any recurrence of the rheumatic condition since my first treatment.

I could arrange to have anyone that you might appoint see some of the cases Dr. Golden is treating and the results he obtains. I would be willing to take care of some of the expenses incurred by their trip.

At present Dr. Golden's patients are those recommended by others who have been treated by him and those referred by other doctors after they have first done everything they could for the patient without his showing any improvement.

If you are interested in looking into this matter, I will be pleased to make an appointment with you at your convenience, to discusss it further.

Yours truly,
(signed) J. E. Wilder.

All that may or may not be worth while, but there is one significant thing about the letter which almost everyone here will recognize, that when a man offers to dig in his own pocketbook to help someone along he has

some faith in the remedy, because people do not spend their own money unless they believe it will be applied to some good purpose or some purpose in which they strongly believe. When the writer said that he was willing to pay part of the expense, it seems to me evidence of something of which the minister should take cognizance. On April 15, that is twelve days after this letter was written, and when the minister must have had it in his hands, he replies to my question that they have made no investigation of Doctor Golden's work. It is sufficient evidence to convince me that not nearly as much importance is attached to this in the official mind as there should be.

I now come to another letter, written on April 4 from Montreal, from a man who apparently stands fairly high in a government department, because he was engaged for a while, I believe, with the national research council. I have a copy of the letter he wrote to the minister. I am not going to read it all, because I do not want to prolong this discussion; I want to convince the minister that the matter is important enough to have something in the estimates or the supplementary estimates to do something about it. The writer, addresing the minister at the House of Commons in his official capacity begins:

Dear Mr. Claxton:

Having been engaged for many years in research concerning the etiology and therapy of rheumatic diseases, I was very much interested in the questions asked by Messrs. Arthur Smith (PC-Calgary West) and T. J. Bentley (CCF-Swift Current) in Commons concerning the government's measures to combat arthritis and rheumatism.

Here, later in the letter, is what to me is a singular paragraph, supporting my contention that the departmental officials are not sufficiently concerned about this:

I may say that up to now we had to depend entirely upon the generosity of two American foundations (the Commonwealth fund of New York and the United States Sugar Research Foundation) whose board of advisers considered the work worthy of financial support. In view of the rather expensive nature of this type of research and because of its great practical importance, additional facilities would, of course, be very welcome and I thought it best to call our problem to your attention.

I note from press reports that you pointed out in the House of Commons that no application for such work has been received by the national research council. I may say that during tne war, the N.R.C. has subsidized my work on war research problems and now that these have lost their immediate importance, I submitted an application for a small grant on a different subject (lactation). I did so because the latter problem is less costly and I hesitated to ask for the rather substantial subsidy which would be necessary in order to expedite the progress of our work on rheumatic diseases .,. .

That is signed by Hans Selye, professor and director of the Institute of Experimental Medicine and Surgery, university of Montreal. I assume that he is a responsible medical man and cannot be classed as a quack.

Mr. LAURENDEAU: May I ask the hon. member a question: has he received a report from any medical association anywhere in Canada?

Mr. BENTLEY: I have only the ordinary medical journals, which I do not understand well enough to discuss here. I should like to give hon. members something more, but I cannot. I am presenting the case from a layman's point of view, from information I have obtained from people who appear to have some standing in relation to this subject. I have had advice from the minister of some journals, and have looked them up, but it requires someone with more knowledge than I have to give the house information from them.

When the hon. member for Vancouver-Burrard (Mr. Merritt) was speaking the other evening when this debate was opened, and suggesting that educational work was important, the minister agreed with him. There are many ways of dealing with this matter, and I believe that one important way, which was supported by the minister only a short time ago to-night, when he was discussing the pamphlet with reference to camping, is the matter of diet. We have organizations that are extremely interested in the health of the people. The Health League of Canada prepared a calendar, a copy of which I believe is in the possession of every hon. member, telling the kind of foods that are important. These illustrations can be found in all the schoolhouses throughout the country. Certainly, in all rural schools in Saskatchewan, you will find charts of this kind giving information on the question of diet. But if it is important that the right kind of foods be consumed by our people, I submit that it is equally important that the government should educate itself to the point where it recognizes the unwisdom of removing the subsidy on milk, thus increasing the price of that commodity to people who need it in their diet if they are to grow up to be healthy, with sufficient resistance against diseases of the kinds we have been discussing.

The thing is inconsistent because the problem that we are dealing with must be approached from all angles. The $11,500,000 to be voted here will be wasted money if, after all the advice and the education given

the people, steps are not taken to make it possible for those in the lower income brackets to put that advice into practice. People in the upper income brackets suffering from arthritis will benefit by this education and the advice given, because they can take sea voyages; they can drink lemon juice; they can have all the milk they need; but a great many people are exposed to the education while they are left without the means of providing themselves and their families with the necessary diets to make it possible for them to avoid all these diseases.

If education is to be dispensed, I suggest that perhaps the minister might do well to turn his educational guns on the government, aiming it point-blank at them, and we shall sit back and sing, "Praise the Lord and pass the ammunition." It is of the utmost importance that we tackle this problem of arthritis in the right way. Some people say that there are 600,000 persons suffering from it. I do not know what the number is, but I know a good many people are the victims of this disease. I know many of them myself, and in my opinion there should be something in these estimates dealing specifically with research into all forms of rheumatic disease associated with arthritis.

I have taken this opportunity to bring this question up to-night because I am afraid that the resolution on the order paper standing in the name of the hon. member for Peace River may never come up for discussion during this session, and I wanted the minister to have my views on the subject.

Mr. DANIEL: I wish to deal briefly with a matter that is of the greatest importance to a number of unfortunate people in this country. I refer to those who have lost their sight.

At the present time blind people over forty years of age secure a pension of $25 a month, 75 per cent of which is paid by the dominion and 25 per cent by the province. They can earn an additional $200 a year, without interfering with this pension.

In the entire Dominion of Canada, according to the dominion bureau of statistics, there are only 9,982 blind persons distributed across the nine provinces, there being 3,131 in Ontario and 3,152 in Quebec.

The council for the blind have requested approval of a six-point pension plan, which is as follows:

1. That a special act for the blind and prevention of blindness is desirable and should be enacted as soon as possible.

2. That pensions should be applied to blind persons after twenty-one years of age.

3. That pensions should be uniform, adequate and tied to the cost of living—at least $30 a month, under dominion-provincial agreement.

4. That permissible earnings or income limits should be raised from the present level to the minimum income tax level, that is, $660 single and $1,200 for married blind pensioners.

5. That all blind persons possessing visual acuity of 3/60 Snellens chart or less shall be granted a guiding and special assistance allocation of $10 a month.

6. That for persons who have entered Canada with good vision and who, through a serious illness or non-compensatable accident, have lost their sight, resident qualifications be reduced to five years.

Hon. members will see that the above plan is asking very little for each individual and a very small amount of money as far as the dominion government expenditures are concerned, to be distributed to this unfortunate group in the manner suggested.

At the present time blind pensions are not paid to anyone under forty years of age, which might be reasonable in the case of a lot of ordinary people, but members can realize that blind people from the ages of twenty-one to forty are just as much incapacitate and unable to work as those over forty. Consequently, I hope that the government will consider favourably and include in their estimates pensions for those between the ages of twenty and forty, the total of which in the whole Dominion of Canada is only 2,328.

It will also be noted from the six-point pension plan which I have read, that the blind ask permission to earn an amount equal to the minimum income tax level. This means that a single person, instead of being allowed to earn only $500, can earn $660 including pension, without affecting his pension.

The council of the blind are also asking for $10 a month guiding fee for those with only a 3/60 Snellens test, which is a very reasonable amount. Hon. members can, I am sure, readily appreciate that the blind are asking for very little, and those hon. members who have had contact with the institute for the blind or the council of the blind, or blind people individually, know that they are probably the most cheerful group of all incapacitated persons. One only needs to have one's eyes bandaged up, as from an accident or operation, for a week to appreciate fully the handicap of being unable to see.

Blind people are spread across Canada and not in percentages in direct ratio to population. The highest percentage in Canada is in

New Brunswick, where approximately sixteeen persons out of every 10,000 are blind, and the lowest percentage is in Alberta, where five persons out of every 10,000 are blind. The maritime provinces, as a matter of fact, have the highest percentage of all the dominion.

As far as races are concerned, they are pretty well equally proportioned. There are 2,417 English; 1,117 Irish; 3,636 French; 1,227 Scotch and the remainder of the 9,962 are divided rather proportionately among seventeen other races. While it has no bearing on the matter particularly, it is interesting to note that the proportion among religious creeds remains about the same, there being 4,869 Catholic and 4,258 Protestant.

While some members may try to figure how much it will cost the government to raise this pension to $30 a month and include those between the ages of twenty and forty, they should bear in mind that approximately 3,300 out of the total of 9,900, or one-third of the blind people in Canada, are over seventy years of age and are included in the regular old age pension plan, so that really under present regulations only those between the ages of forty and sixty-nine can be considered as getting any special consideration because of their blindness, and there are only 4,320 of these.

I shall not bore the house with further information, since a pamphlet containing all the information pertaining to the blind can be secured from the dominion bureau of statistics. I would ask the minister to consider seriously approving this six-point pension plan, which certainly is not unreasonable; and I hope hon. members on all sides of the house, regardless of political affiliations, will support the minister and the government in this worthy and justifiable undertaking.

Mr. BLAIR: Last Friday I made an appeal on behalf of those suffering from arthritis, and since that time this disease has been discussed a great deal in this house. It is a peculiar disease, and I should like to commend the hon. member for Berthier-Maskinonge on the commonsense speech he made the other day. We of the medical profession are ready to try any form of treatment which will give relief to these people. There is no doubt that new forms of treatment will be advocated from time to time, such as that suggested by the hon. member for Swift Current. Arthritis is a disease which will go ahead and cripple a person, and then suddenly for some unknown reason will cease, but it leaves the poor patient permanently crippled. The medical profession have tried various treatments, including diet. Various diets have been advocated over a long period. We have tried the injection of gold with considerable benefit in some cases. I have seen some patients considerably helped by bismuth, and there have been some results from serums; but that is not the answer, because the unfortunate patient is left crippled. His joints become ankylosed so that he is unable to move them, and no form of treatment will loosen them up again.

We want to get at the cause of this disease. Something is causing it, and we want to be able to stop it before it reaches the point where people are permanently crippled. No doubt there will be cures; some of them may be psychic, as far as that is concerned, but I cannot see that any person suffering from arthritis was ever cured in one office by one shot of serum. Incidentally, speaking of gold, the use of which is being widely advocated and which has its uses, at the present time I do not believe it is safe office procedure; that is, the patient should be in an institution when the gold treatment is tried. No doubt these cures will be pointed out to us from time to time; we shall be told that somebody has obtained marvellous relief from something, but it must be remembered that of itself the disease will suddenly stop. Therefore our knowledge of the disease should be increased by research.

I should like to say a few words about this pamphlet on public health and welfare which is put out by the department. I have regularly placed this pamphlet on the table in my waiting room, but I never find any person reading it, which is unfortunate. I realize that there should be value to a paper such as this, but I think the way it is written has something to do with the fact that it is not read. I believe that better results could be obtained if the people writing this paper would bring it up to date. Let us have an issue, for instance, in July, August and September on poliomyelitis and the first signs of it, something the people can understand. Let us have a paper on the causes or the early signs of cancer, something the people can read. Let us put out a paper that can be used. I remember the minister said this pamphlet was sent to schoolteachers. Let us put out a paper the teachers can use in teaching hygiene to their classes. Make it something useful.

The other night the hon. member for Eglinton produced one of the fillers issued by the department, a most ridiculous thing, and in this I am criticizing the propaganda being put out. Whoever wrote that filler quoted the other evening, advising people to use the remainder of their family allowances to buy "zest", certainly had a wild imagination. Many of these children are in

their present position from the buying of too much "zest" by their fathers. The thing is unfortunate. I approve the propaganda; I think there is a place for it, but I contend that the pamphlet, the fillers and everything else are badly written and not producing the results they should.

Mr. SKEY: What is the government policy with respect to day nurseries in the large urban centres of the country? In asking this question, may I say that the day nurseries have been a great relief to those living in cramped quarters as a result of the present housing shortage. Many service men who have returned from overseas, some of them with children, live in rooms. The burden of the heavy taxation imposed at the present time has made it necessary for both parents to work, and the day nursery is the only answer for a great number of families. I may be wrong, but, as I understand it, the ministry of health and welfare has withdrawn the grants it used to give these necessary institutions.

Mr. CLAXTON: The Department of National Health and Welfare never made grants to day nurseries. Grants were made during the war by the Department of Labour for the sole purpose of increasing the supply of labour available to munitions factories by enabling married women to leave their children in places where they would receive adequate care during the daytime. It was done as a war measure and was discontinued by the Department of Labour when the need for war workers ceased. This is a matter coming exclusively within the jurisdiction of the provinces, and is generally regarded as a municipal or local responsibility. Any further question the hon. member may wish to ask in this connection should be directed to the Minister of Labour, but in view of what I have said I think the situation should be thoroughly understood.

I listened to the remarks of the hon. member for Lanark, and I was glad that as a doctor he did not take issue with me in regard to some of the remarks I made last week as to the nature of arthritis. In fact his remarks were along the same line as my own. I shall be very glad indeed to see that the officers of the department consider his various suggestions in regard to publicity. I must say it was never intended that this bulletin, "Canadian Health and Welfare," should be put in the waiting rooms of doctors. I thought doctors, particularly of the ability of the hon. member for Lanark, either had more exciting literature for their patients or their patients were so anxious to see them they had no time to read material of this kind. This is a publication intended for people working in the field of health and welfare and so far, as I say, it has been well received.

I should refer to the remarks of the hon. member for Oxford, who referred to the representations made by the Canadian Institute for the Blind. I have seen the officers of the institute and, I think, of most of the provincial organizations during the year. They have put forward the same representations, and these have been given the most serious consideration. As I think hon. members know, in the proposals put before the provinces by the dominion we proposed that the federal government contribute on a fifty-fifty basis to the cost of reducing the age to twenty-one years, and increasing the amount to $30 a month, in accordance with the proposals of the institute, and we were also prepared to discuss with the provinces arrangements under which the permissive earnings of the blind might be increased in order to increase their incentive to look after themselves. I should add that if an agreement had been arrived at it was the intention of the government to introduce at this session, or as soon as possible, a special measure relative to the blind; and in these important respects we were fully in line with the suggestions of the institute. With regard to the fifth suggestion, that there should be a special allowance of $10 a month for those whose ability to see was minimal, the matter has been given consideration, but no final decision was arrived at. The final suggestion was that persons who entered Canada with their sight, and lost it, should be qualified for blind pension if they had residence of five years. We were also prepared to consider that suggestion.

On all these points, we substantially met the suggestions of the blind as put before the parliamentary committee on social security in 1943 and 1944. In addition, during the year the government created in this department a special division of blind control, and put in charge of it a doctor who has spent a large part of his life in serving the blind, either in the Department of Veterans Affairs, or through love of his work. I refer to Doctor F. S. Burke. Since his appointment, in cooperation with other doctors he has undertaken a survey of every case of blindness in Canada, in order to find out the causes of blindness, and also to learn what percentage of blind people in Canada might be cured by treatment or operation.

We believe a good deal of blindness could be prevented, and one of the proposals we made to the provinces was that we should

share with them on a fifty-fifty basis the costs of providing treatment where such treatment would either prevent or cure blindness. We believed that this was the most substantial advance which could be made in our programme in dealing with this problem; the best way to deal with a blind person is to cure his blindness.

Studies made thus far indicate that a considerable proportion of blindness is either avoidable or curable, and we were prepared to assist in that work as I have mentioned. That survey and research are being continued. We hope also to do some research as to the causes of blindness affecting particular communities. One hon. member referred to the heavy incidence of blindness in New Brunswick. It is quite notable that in certain parts of that province the rate of blindness is probably three times as great as that in other parts of the country.

Mr. MacNICOL: Why?

Mr. CLAXTON: Nobody knows why; we would like to find out. It may be due to nutritional deficiencies. We would like to cooperate with the provinces and with other agencies in finding that out and in endeavouring to see that, whatever the cause may be, it may be corrected in the future.

I am very glad to say that the suggestions of the Canadian National Institute for the Blind are very largely those of the government, and that they were put forward in the way I have indicated.

With regard to the remarks of the hon. member for Swift Current concerning arthritis, I have very little to add to what was said the other evening when this matter was discussed fully, as set out at page 2070 and following of *Hansard*. The hon. member has said, "we should do something about it". That is one of those things it is very easy to say. As the hon. member for Lanark has said, the question is: What can we intelligently do about it? What can we as a federal government do? That was the question I raised when the matter came up before.

Mr. BENTLEY: I am not going to make a recommendation of what the minister can do, but I think something should be done. The only thing to do is, I believe, to follow up the recommendations of others, by way of making grants to organizations which are undertaking this research, or set up a federal research branch. Does the minister intend to do that?

Mr. CLAXTON: So far as I know, the Canadian rheumatic diseases association has no programme calling for any research, whatsoever. If it has that intention, such representations have not been made to me.

Mr. BENTLEY: Why not do it though your department?

Mr. CLAXTON: I went into that matter at some length, and I think the view I put forward carried the judgment of the house that the best procedure, so far as research is concerned, was not to have the federal government set up a new institute or agency to conduct fundamental research. We do not believe that is the most efficient way of using the resources of Canada. We believe that the best way is to assist those who require assistance in research, and who are competent to do research in those places where they are doing it or where they are able to do it.

Rheumatic diseases and arthritis are conditions which should be worked at not only by fundamental research workers but by clinical research workers, where patients are available. Those places would be the great teaching institutions and the hospitals in the larger cities. The most important work being done in this field is probably that being done by the Department of Veterans Affairs in the Toronto East General hospital, where 100 cases of arthritis are continually under examination by two officers specially trained in that field, and where they have a team of specialists working in conjunction.

As the hon. member for Lanark pointed out arthritis is a condition. We do not know what the disease is, but there are possibly thirty or more varieties of it. It is an exceedingly difficult thing to diagnose and to prescribe the best treatment.

The hon. member referred to the fact that there are probably 600,000 persons suffering from arthritis in Canada. There may be more than that, because lots of people over forty years of age have some sort of condition which might be described as arthritic.

Mr. FLEMING: A lot of ball-players in this house have been suffering from it since last Wednesday night.

Mr. CLAXTON: Yes, there has been a lot of it since then; since we suffered that trouncing on Wednesday night, we have been feeling an arthritic condition in the last two days.

This matter of arthritis is one of great concern, and if there is anything we can do effectively, I should like to see it done. But the manner we have suggested, of working through the national research council, and assisting those who want assistance to do work

in connection with arthritis, seems to be the most sensible way of approaching the problem.

Mr. ADAMSON: Now that the Minister of Labour is in the house, I should like to make a suggestion with regard to day nurseries.

The CHAIRMAN: Day nurseries do not come under this national health vote.

Mr. ADAMSON: I believe they do. They are a definite consideration of the department, and were brought into being as a war-time measure. I want to bring out the fact that in a congested district such as my own, and such as is found in many parts of Toronto, war-time conditions still exist, and the need for these day nurseries is still a pressing one. I realize that, to a degree, war industries have ceased to exist; but the congestion is still there, and the lack of housing accommodation makes the continuance of these day nurseries a necessary part of the health and welfare of Canada. While I realize that they were brought into being as a war-time necessity, so that married women, the mothers of small children, could work in war plants, the necessity for these day nurseries still exists.

I suggest to the Minister of National Health and Welfare that he reconsider carefully his decision to have nothing to do with the continuation of this necessary and helpful service. Possibly it is a provincial matter, but during this transitional period when there still exists a congestion of workers the need for day nurseries still definitely exists. With all due respect, let me say that it is an unfair burden upon the municipalities to expect them to carry the whole cost of these day nurseries. I suggest that the Minister of National Health and Welfare carefully reconsider his decision about abandoning support for these day nurseries.

Mr. KNOWLES: Before leaving this general item, I should like the minister to comment upon the matter to which I drew his attention last Friday night, and I believe the hon. member for Lanark referred to it as well. I have in mind the work being done at a place of which I gained some knowledge lately, the Montreal neurological institute. Those of us who spoke last Friday night on this item referred to the research work being done there and the tremendous help being given to a great number of people who suffer from diseases other than those which have been mentioned during the course of this debate.

Reference has been made to the international reputation of this institution. It seems to me that, if for no other reason than national pride in having an international centre in this field within Canada, we should be prompted to do everything we can to enable that institution to do its best work. It is only a matter of a few weeks ago that Doctor Wilder Penfield, the superintendent of the institution, when addressing its annual meeting, implied that some of the work of the institution would suffer, even to the extent of closing down certain sections, because of lack of funds. I know there are always various technicalities that arise as between departments and as between governments, but I submit that the importance of this work and the self-sacrificing contributions of men like Doctor Penfield, Doctor Russel, Doctor Cone, Doctor McNaughton and those associated with them in their work should prompt us to find a way to give all possible support. I am sure that, knowing that there are those whose lives would be made happier and more free from some of the ills from which they suffer by the research that could be done there, should prompt our serious consideration of this matter.

Mr. CLAXTON: I should have referred to that because it was mentioned before by two hon. members. The hon. member for Winnipeg North Centre referred to the fine work being done by the Montreal neurological institute. As that happens to be in the constituency I represent, I was glad to hear the remarks of the hon. member. The reputation of the institute is, literally world wide and it has done a great work for Canada.

Doctor Wilder Penfield is one of the greatest brain surgeons, if not the greatest brain surgeon there is, and he has with him an outstanding staff. The hon. member suggests that on those grounds a grant should be made to the institution. No request that I know of has been made for a grant. I think here we must look at the position as it exists.

It is not a question of technicalities which may arise, as he said; it is a question of the realities of the Canadian constitution and the relationships which have been built up between the provinces and the dominion. There are a number of magnificent teaching institutions in Canada; there are a great number of churches which have done fine work, but that does not mean that everyone should receive a grant from the dominion government. It seems to me that here we have to look at the functions of government and consider which things can be done most appropriately and most in accordance with the lines of the constitution so that the essential needs of the Canadian people may be met.

We have made proposals to the provinces which bear on this, but at the present time I

do not see how the dominion government could make a grant to a single educational or medical institution without creating a precedent which would expose the dominion government to demands from every kind of institution which ordinarily would look to the provinces for support. Those who want to change the existing relationships between the dominion and the provinces can discuss projects, change them, but that cannot be done on a piecemeal basis. You must have regard for the constitutional relationships that exist or you will bring about a chaotic condition. I do not think anyone could express greater admiration than I for the work of the institute, but so long as we have our existing constitutional relationships I do not think it is possible to expect the federal government to make a grant for a single purpose such as this.

Mr. KNOWLES: For my own part I would rather that we did this directly, but I should like to make a suggestion along the lines of the present practice. Last Friday the minister indicated that there was some sort of interdepartmental or joint committee on research under the national research council. I believe there is liaison between the minister's department and that committee through the person of a member of the committee. Is that so?

Mr. CLAXTON: That was the situation. There is a medical division of the national research council which considers applications for grants in aid of research.

Mr. KNOWLES: In the estimates of the Department of Reconstruction and Supply there is an item covering grants in aid of research. It is a mere bagatelle, but it seems to me that the minister who is interested in matters of health should see that his representative on that committee urge that some of the money listed for grants in aid of research should be granted to this institute. I hope the minister will see that that suggestion receives consideration.

Mr. CLAXTON: I shall be glad to see that it gets consideration.

Mr. ADAMSON: In connection with the neurological institute in Montreal, has there been any curtailment of its work?

Mr. CLAXTON: I would think it is quite the contrary.

Mr. ADAMSON: There has been a curtailment of research owing to lack of funds in some psychiatric hospitals throughout Canada.

[Mr. Claxton.]

Mr. FULTON: In connection with the matter of grants in aid to various institutions and the point just raised by the minister, I should like to bring up the general question of grants in aid of hospitals across the country. Apparently many hospitals, because of lack of building materials or lack of funds, have been forced to curtail construction and expansion work and now find themselves in urgent need of accommodation. This question was discussed by the minister and myself in connection with a specific hospital. I do not wish to go into local details on this general item, but I have had a letter stating that hospitals generally are finding it embarrassing because of the temporary suspension of the dominion-provincial conference and the fact that they are unable to get grants from the dominion government. There is in this letter one passage which I think is quite interesting. This is a letter from the Canadian hospital council, Toronto, which I understand represents hospitals across the dominion, addressed to the British Columbia hospitals' association. It reads as follows:

> The collapse of the recent federal-provincial conference is not making it any easier for hospitals to proceed with their construction programmes. Federal loans at low interest were contingent upon a favourable solution to the taxing question and, therefore, cannot proceed. Meanwhile, in most of the provinces provincial assistance is not materializing, the provinces also waiting for a solution to this impasse. The situation is becoming steadily more serious and we are fast approaching what could well be termed a national emergency. A few days ago the gravity of this situation which would quickly result in a break-down of our hospital facilities if a major epidemic developed as in 1918-1919, was discussed with the deputy minister of national health and welfare and we have since forwarded to him for the consideration of his minister and we hope of the cabinet a letter urging that in the interests of the citizens of Canada this matter be not left to any legal interpretations of who has the responsibility for health, or the political juggling of federal-provincial taxing rights, but that the federal government proceed at once to make funds available for the very essential expansion of hospitals. Under such circumstances, low interest loans might need to be repaid rather than amortized under succeeding annual grants to provinces as proposed last year but unless funds are forthcoming from some source hospital expansion will not proceed with sufficient rapidity to cope with the situation.

It is appreciated that the matter is one which, as the letter points out, has been made more difficult by the failure to reach immediate agreement at the conference. But I would ask the minister whether consideration has been given to the representations made by the Canadian hospital council, and, if so, whether there is any likelihood of action being taken by his department along the lines recommended in that letter?

Mr. CLAXTON: The question raised by the hon. member for Kamloops has been raised by a number of other hon. members through whom hospitals made application for assistance from the federal government. On that matter the constitutional position is very clear. Paragraph 7 of section 92 of the British North America Act places squarely within the jurisdiction of the provinces responsibility for hospitalization, and the legal position has been in accordance with the position during the seventy-seven years that we have had confederation. The only federal assistance that I know of that has been given to hospitals has been in connection with the discharge of federal responsibility. The federal government has exercised responsibility for hospitalization of members of the armed forces, veterans, sick mariners, immigrants, and Indians, and in respect of quarantine and leprosy. I think I am right in saying that a grant has never been made to a hospital by the federal government except in the cases I have indicated or others in which there is a federal aspect. In connection with the proposed introduction of health insurance on a nation-wide basis, it was recognized that there would have to be a wide extension of hospital facilities. The dominion proposals to the conference, at page 36 of the green book, provide for financial assistance in the construction of hospitals. That assistance was to be in the form of loans made through the provinces at or near cost.

It is greatly to be regretted that there has not been agreement. All I can say is that the question is being considered and that any further proposals the federal government may make in this as in other matters growing out of the conference will be made by the Minister of Finance at the time of introducing his budget, or at some time consequent on its introduction.

With regard to the hospital at Kamloops, the hon. member has made representations with regard to the matter, and it has been twice before an interdepartmental committee to see if the federal interest in the position was sufficient to justify a grant. I must say that we found the position to be very much like that of hundreds of other hospitals. It is used occasionally by veterans or members of the armed forces or Indians, but there is no special federal interest in that hospital which would justify its being treated differently from other hospitals across Canada.

Mr. FULTON: That is why I was not trying to discuss the local issue here to-night, although I was hoping that in the minister's remarks I might find a ray of hope for our hospital. The minister said that it might be made the subject of an announcement at the time of the budget. Does that mean that he is not in a position to say whether it is intended to make separate representations or to reach an agreement of this sort with the provinces outside the general conference? Can he say whether special consultations could be held so that recommendations of the nature of those contained in the letter I have read could be worked out?

Mr. CLAXTON: I can assure the hon. member that the representations will be given the most serious consideration, but I am not in a position to go farther than that at the present time.

The CHAIRMAN: May I draw to the attention of the committee that there has been a considerable discussion on this item, much of which might more properly have come on various other items as we reached them. It occurred to me that the committee might be prepared to allow item 200 to pass now and proceed with the other items.

Mr. BLACKMORE: Before the general item carries, there is one matter I wanted to ask the minister about because I should like to have some information which will aid me in a discussion later. The matter I have in mind is the national film board, item 244 and following, for which there are appropriations amounting to over $1,000,000. In order to be able to discuss these items with some degree of understanding, I should like to have a number of questions answered at this stage so that I can be contemplating them before we get to the items. Would the minister prepare a statement, since he will not be able to answer these questions offhand, telling us how many films are now in the possession or under the direction of the national film board? Does the film board lease, lend or otherwise let out films to be used for educational purposes? If so, how many are so let out? To what institutions or agencies are they let out? Under what conditions are films let out? Has the board any lecturers using films of the national film board? How many films have to do with biological subjects, and how many have to do with geological or other scientific subjects? How many have to do with the subject of evolution? How many of these would tend to establish in the minds of the students the conviction that evolution is the true explanation of the origin and development of life on the earth? I am going to send these questions over to the minister so that he can consider them, and I should like him to give the answers as soon as he can because I am deeply interested in the subject of evolution and I want to discuss it when we come to the question

of venereal disease. I think that for us to be teaching through films all over the country and teaching in our textbooks as a fact that men are descended from apes, and then expecting them to act like men descended from God, is an absurdity. So that I should really like to know a good deal about the matter of these films.

Mr. FLEMING: My short question relates to part of this first item we are on. I think it is clear from what the minister said earlier, and I am just asking his confirmation of it, that the writing and editorial work on the magazine "Health and Welfare" and on these fillers is all done by members of the staff and that no professional assistance is retained from outside the department. Can I have the minister's confirmation of that understanding?

Mr. CLAXTON: Yes; that is correct with regard to the matters the hon. member has mentioned. If we were preparing a film, or an advertisement for the newspapers, there would be outside professional assistance.

Mr. FLEMING: By advertising advisers?

Mr. CLAXTON: That is right.

Mr. HANSELL: I am not discussing the matter, but would the minister tell us under what item or department the UNRRA discussion will come?

Mr. CLAXTON: The Department of External Affairs.

Mr. BLACKMORE: If I might impose upon the committee a minute or two more, I should like to ask the minister some further questions on films, and he can look the answers up at the time he is preparing his answers to my former questions about the films. Are any of the national films based upon the Bible and, if so, how many: do any of them give the recent findings of archaeologists like Sir Charles Marston, Sir Flinders Petrie, and others whose discoveries tend to establish the authenticity of the Bible historically and otherwise? If so, how many of such films are now available for distribution? What is the general nature and teaching of each? My reason for asking these questions is this: if it should be found that this domniion is paying over a million dollars for a service which is contributing to the destruction of the faith of the youth and is doing nothing to establish the faith of the youth throughout this country, that matter ought to be probed into and, I think, adequate measures taken.

Mr. CLAXTON: I can assure the hon. member that it is not doing that, but I would be glad to give such answers to his questions as I can when the items come up.

[Mr. Blackmore.]

Mr. BLACKMORE: I think it would be only fair to the minister to let him know that that is the purpose behind the whole thing. My opinion is that our age is rapidly becoming a godless age. Our people were never intended to be a godless people. The sooner we return to a belief in God, a simple sincere belief in God, the sooner we shall lay a foundation for the great and powerful nation that we were designed to become.

Item agreed to.

National health branch—

201. National health branch administration, including contribution of $1,134 to the international office of public health, $212,986.

Mr. MERRITT: In this item there is a vote of $100,000 for publicity, which is up $80,000 over last year. I should like the minister, if he would, to give a break-down of the expenditure last year and of the projected expenditure of this $100,000.

Mr. CLAXTON: Yes. The expenditure for last year was $17,179.19. I can give the hon. member the break-down of that sum: Occupational therapy films, $4,999.14; rural health films, $9,500; health displays, $219.48; health reference book, $180.99; a book on the control of communicable diseases, $2,650.37; a book, "Healthful Living", $532.74; and advertisements, $110; making a total of the amount I mentioned. The proposed expenditure of $100,000 will be as follows: on a French version of eight medical and public health films to be recorded at the request of the ministry of health of Quebec, $10,000. We have the English films and we have to make French-speaking sound tracks. Two film libraries, about one hundred prints, $5,000; 12 strip films to assits in classroom and health education work in the provinces, to be distributed through provincial departments of health and education, $20,000; newsreels, to report medical research, provincial achievements in the field of public health and to provide newsclips on such subjects as immunization, $15,000; standardized health publications, to eliminate overlapping and to fill in gaps occasioned by the present system of the federal and provincial departments of health distributing publications without reference to each other, $12,000; films to be produced at request of the provincial departments of health in accordance with interest indicated by the dominion council of health, $38,000; a total of $100,000.

Mr. MERRITT: Most of those new items refer to films. Would the minister say whether they are all produced by the national film board, and whether this sum therefore

goes into the coffers of the national film board and back into the consolidated revenue fund, or does it go out of the government's hands altogether?

Mr. CLAXTON: A large part of the expenditure on films is made to the national film board for production of films. Part of it is for the purchase of prints and films produced in other countries.

Mr. MERRITT: The other question I have is: in view of the large film programme, would the minister say what sort of general supervisory control there is over this kind of expenditure to make sure that the money is being expended to attain certain definite ends? For instance, are these twelve strip films part of a plan to get over some particular points with regard to public health, or are they of general interest? What is the general policy of the minister with regard to that kind of thing?

Mr. CLAXTON: Each film is designed to do a specific job, and it is worked out only after the most careful consultation with authorities working in a special field, and also, if it is a film designed for educational purposes, with educational authorities. The amount of work which goes into one of these films, in the preparation of the text and in the screening and cutting, is great, and it takes a considerable time to produce it. Almost all the items I mentioned under this head are to meet needs which have been expressed by the provinces and by public health authorities, and a great part of the distribution and exhibition would be done through provincial agencies and in cooperation with them.

Mr. FLEMING: I notice that the minister said that certain of these films were being produced at the request of provincial authorities, sometimes for use in the schools, sometimes apparently for use in other places. Is it the policy of the department to make films on request of provincial authorities? Are these needs pointed out by the provinces in relation to a national health problem which he refers to in these various films? I take it that there is nothing local in the appeal of the films and the task they are intended to perform.

Mr. CLAXTON: That is right. I have never heard of a single film or advertisement or publication which was designed to meet a local need. Usually the health officers of the provinces or municipalities express a necessity, inquiring whether we have a film on such and such a topic. If the request indicates a fairly widespread desire and seems to cover something that falls within the scope of the department's activities, the matter is likely raised at the next meeting of the dominion council of health, which consists of the deputy ministers of the dominion and the nine provinces and four lay members. The subject is discussed there. If it is felt that it is something that is desirable and suitable for projection in that way we next discuss it in the department, and if it falls into the general pattern of our activities for the year we proceed with it.

Mr. FLEMING: As regards the circulation of films once produced, is that left to the national film board, or is it administered entirely by the department itself.

Mr. CLAXTON: It is done by both means and also through film societies, provincial, educational and other authorities, and through national and provincial medical associations. Whatever means of distribution is appropriate for the pamphlet or film is used to meet the needs of the case.

Mr. COLDWELL: Are we discussing the national film board? If so, some of us would like to say a word on that subject.

Mr. CLAXTON: No.

Mr. FLEMING: Comparing these estimates with those for the preceding year, turning to page 159 I see that there is no provision this year for a director of health services, a special assistant to the deputy minister, a publicity assistant and a senior messenger. These items are all blank this year. The total proposed appropriation for salaries is $18,000 odd as compared with $36,000 last year, but the figure for temporary assistance is to be increased from $25,000 odd to $52,000 odd. What is the situation now in the department which explains this change?

Mr. KNOWLES: Is there any curtailment of service in the department owing to the blanks to which the hon. member has referred?

Mr. CLAXTON: There is an acting director and a publicity assistant. Was that the second item to which the hon. gentleman referred?

Mr. FLEMING: The second was special assistant to the deputy minister of health; the third was publicity assistant, and the fourth, senior messenger.

Mr. CLAXTON: It depends on the development of the work of the department. Either these positions are not needed, or they fall more properly under specific divisions of the department.

Mr. HAZEN: Did the minister refer to the acting director of health services?

Mr. CLAXTON: Yes.

Mr. HAZEN: Where does the item for his salary appear?

Mr. CLAXTON: The salary of the director of health services is fixed on a temporary basis of $6,900 and that item is included in the $52,860. It is proposed to have three assistant directors of health services at $6,600 totalling $19,800; one chemist, $2,820; three principal clerks at $1,920, or $5,760; one secretary to executive, $1,890; one clerk, grade four, $1,620; two clerks grade three, $1,590 and $1,380, or $2,970; one clerk grade two, $1,110; and nine other employees, making a total of twenty-two temporaries, totalling $52,860.

Mr. FLEMING: Are the three assistant directors of health services to be permanent officials?

Mr. CLAXTON: Yes.

Mr. FLEMING: Why are they shown as temporaries?

Mr. CLAXTON: Because the positions have not yet been made permanent.

Mr. FLEMING: Are they at present on the staff awaiting the time when they will be made permanent?

Mr. CLAXTON: They have not yet been appointed.

Mr. FLEMING: Is there to be an extended programme of work? This item contemplates an extension of staff that is likely to be permanent or semi-permanent. Is there such an extension of work in branch administration as to justify this increase in expenditure?

Mr. CLAXTON: This is part of an establishment which was worked out after the creation of the department in October, 1944, and modified from time to time. That organization, which was worked out in the first instance by the civil service commission and the treasury board, has been modified periodically and is now in a form which, we hope, will take care of the reasonable requirements of the department for as long as one can see ahead. It involves a certain amount of devolution. Where formerly there was a director of health services and other officers in the department, we expect now that there will be a director of health services who will report to the deputy minister, and under him three assistant directors of health services, one of whom will deal with the statutory duties of the department, another with laboratory work, having regard particularly to food, drugs and so on, and the third largely with promotional activities. They are, we believe, necessary in order to discharge the work of the department.

[Mr. Claxton.]

Mr. HAZEN: Who was the director of health services last year?

Mr. CLAXTON: Doctor J. J. Heagerty was director of health services until his retirement just before his death. Since this is mentioned for the first time in the house, I should like to pay tribute to one who served for over thirty years in the government service and whose work was known throughout Canada as that of a great public servant, a distinguished doctor, and a man who did everything possible to promote the health and welfare of the people of Canada. It was with the greatest regret that we saw him retire, and with still greater regret we learned of his death during the current year.

Mr. HAZEN: May I ask who is acting as director of health services now?

Mr. CLAXTON: Doctor Cameron.

Mr. KNOWLES: Included in this item is an amount of $1,134 as Canada's contribution to the international office of public health, and in that connection I should like to ask one or two questions. Is that the only contribution Canada makes to the field of international health? In asking the next question I may be guilty of touching off a forty-minute speech by the minister, but still it is an important matter. It is this: how are things coming along in the field of international health? I have in mind the proposal made at meetings of the united nations in London that as soon as possible there should be an international conference with a view to developing an international organization to meet the health needs of the present day. The minister is running back and forth, I believe, between his responsibilities here and meetings in connection with this matter, and I wonder if he could give us a statement as to how these matters stand at the present time.

Mr. CLAXTON: The invitation of the hon. member to start on a forty-minute speech on this subject is attractive, but I shall try not to work on such a hair-trigger that I may be touched so easily. This is the only vote in this department which includes anything for international health, but my impression is that the budget of the old league of nations would include an amount which would go to the old health section of the league, which carried on useful work from the time the league was started.

With regard to the proposed world health organization, this is one of the specialized agencies of the economic and social council of the united nations. The council has been meeting since May 24 at New York at Hunter college in the Bronx. I have been attending

those meetings as Canadian delegate, when not in attendance at the house. One of the specialized agencies of the economic and social council, as I say, is the proposed international health organization. A technical preparatory committee met at Paris from March 18 to April 5, 1946. That committee had on it fifteen technical experts, one of whom was Doctor G. B. Chisholm, deputy minister of national health of Canada. He was honoured by appointment as rapporteur of the committee and presented the report to the economic council on the work that was done. That report was made in New York on May 28, and was well received. The matter is now receiving consideration by the economic and social council, and its observations on the report of the technical preparatory commission will be put before the international health conference which has been called to meet at New York on June 19. Canada will be represented there, and it is expected that the members of the united nations who answer the summons to that meeting will begin to work out the constitution of an international health organization, using as their basis the draft prepared at Paris by the technical preparatory commission.

The scope of the proposed international organization is extensive. It would deal with a large number of matters, principally through international cooperation. Hon. members might be interested if I quoted the first few lines of the preamble of the draft, which states:

> The states parties to this world convention recognize the following truths as basic to harmonious relationships between all peoples of the world.
>
> Health is a state of physical fitness and of mental and social well-being; not only the absence of infirmity and disease.
>
> The right to health is one of the fundamental rights to which every human being is entitled, without distinction of race, religion, political belief, economic or social condition.

I hope that gives the hon. member some of the information he wanted.

Mr. KNOWLES: Who will be Canada's representative at that meeting? Will it be the minister himself?

Mr. CLAXTON: I expect so, together with the deputy minister of national health. I am not in a position to announce the others, but we hope to secure the assistance of some representatives of the medical profession and professional organizations.

Item agreed to

National health branch—

202. Food and drugs, $365,032.

Mr. FLEMING: I should like to ask a question dealing with this item and relating to the next two items as well. Is the minister satisfied that under existing legislation and regulations, and their administration, the people of this country are receiving adequate protection with reference to food and drugs, opium and narcotic drugs, and proprietary or patent medicines?

Mr. CLAXTON: With regard, first, to the question of the administration of the Food and Drugs act, I think I can give that assurance to the hon. member. In discussing this with representatives of other nations, I find they are generally appreciative of the legislation we have in Canada and the way it is enforced. In the department we try to secure enforcement through cooperation; first, with representatives of the various trade associations and, second, with the people in business. The number of prosecutions is not very great, but this does not mean that the extent of sampling or analysis is not sufficient to maintain effective control over the quality of the food that is distributed in Canada. I have been greatly impressed with this branch, and we have every reason to be pleased with the way the officers do their work. It commands the general respect of the trade, as well as of technical experts.

With regard to drugs or medicines, there is a general impression that the federal government exercises control over medicines in order to ensure effective labelling of poisonous drugs or medicines. That is not so. The labelling provisions of the federal government require publicity and information as to the contents rather than act as a warning. The warnings are applied under provincial legislation. All the provinces have acts which require warnings as to certain types of medicines.

With regard to the administration of the Opium and Narcotic Drug Act, I can say with confidence that Canada's administration has been recognized throughout the world as among the best to be found anywhere. That is largely due to the part played by Colonel C. H. L. Sharman, C.M.G., C.B.E., who recently retired, and who is to act on the international narcotics commission.

The number of addicts, in so far as they can be estimated, has been reduced materially during the war. The shortage of drugs and the need of using them for purposes in association with the war, led to more effective control. For one thing, regulations have been changed to provide that all narcotic drugs can be sold only on prescription, except for preparations containing small quantities of codeine, and that only in conjunction with other medicines. Control has been closely

exercised, and we believe that the situation is consequently better than it has ever been before.

Mr. FLEMING: Is the minister satisfied that the present dominion legislation with reference to the labelling of drugs and food compounds is adequate to give protection to all the people?

Mr. CLAXTON: I think it is. The objections we receive are, if anything, that they are too severe. I must add, however, that we are getting more and more cooperation from people in business. Some years ago producers and distributors resented any kind of regulations. But now they realize it is in the interest of honest manufacturers and distributors to see that there are fair regulations and that they are effectively enforced. I think most of them are satisfied that that is so.

Mr. MERRITT: This vote is increased by almost 80 per cent over last year. That must represent a considerable extension in the department, or some new policy. If so, I should like to know what it is.

Mr. CLAXTON: I am glad the hon. member has mentioned that, because it is caused by a considerable transfer of functions from the laboratory of hygiene to the food and drugs laboratory. It is an adjustment which has been found desirable. It will be found that in the vote for the laboratory of hygiene there has been a decrease amounting to some $48,320, and that sum represents a substantial part of the increase in this vote.

The other increases to a considerable extent consist of additional equipment which was not available during the war and which is necessary to supplement or replace equipment which is either worn out or out of date. If hon. members will look at votes in preceding years for this branch they will see that for several years no provision has been made for improvement of or increase in equipment. As a consequence of the war, substantial improvements have been made in equipment, and now that material is becoming available, an amount of $19,000 of this vote is set aside for this purpose.

Item agreed to.

National health branch—
205. Quarantine and leprosy, $226,710.

Mr. STIRLING: What is the situation with regard to leprosy on the two coasts?

Mr. CLAXTON: I am glad to say that, viewed as a whole, the condition is the same as last year. We have two leprosy hospitals, one of which is at Bentinck, British Columbia.

[Mr. Claxton.]

At that hospital there was one admission and no discharge during the year. One patient remained from last year, and one was admitted during the year, so that the total number in the hospital stands at two, one of whom is a Chinese male and the other a Japanese male. Both cases are bacteriologically negative.

At the other hospital, at Tracadie, New Brunswick, we have eight patients remaining from last year, and one was discharged during the year, which leaves seven remaining in the hospital. So that the net position in Canada is exactly the same.

Mr. HAZEN: There are nine patients altogether.

Mr. CLAXTON: Yes.

Mr. HAZEN: And it costs $197,000 to look after those nine patients.

Mr. CLAXTON: The hospital at Bentinck island costs $4,376 and that at Tracadie, $10,560, making a total of just under $15,000 for the two of them. The remainder is for quarantine.

Mr. BLAIR: Is the discharged patient supposed to be cured? While the number of patients is the same, there is a considerable additional amount. What is the reason?

Mr. CLAXTON: Included in the item for leprosy is the amount for quarantine. I have just pointed out that the total amount expended in connection with leprosy is just under $15,000, and that there has been no change in that for two years.

Answering the other question, I am informed that the patient who was discharged is cured.

Item agreed to.

National health branch—
206. Laboratory of hygiene, $197,166.

Mr. FLEMING: My first question arises out of a brief statement in the report of the department for the year ended March 31, 1945, where, under the heading, "Penicillin", at page 39 we find this:

> This branch of the laboratory cooperated with the bacteriological branch in a study of the stability of penicillin.

What is the extent of the help given to research by this department or in connection with the medical branch of the national research council with reference to penicillin? As hon. members are aware, research and manufacture are being carried on in different parts of the country. Perhaps the greater part of that manufacturing is being done in Toronto in the old Knox college building. What is the extent of research carried on under dominion auspices?

Mr. CLAXTON: When penicillin was developed for use during the war it became at once apparent that there would be a great need of it. The federal government, through the Department of Munitions and Supply, acting as agent for other departments of government, bought for the Connaught laboratories the Knox college building in Toronto, equipped it, and paid the costs of operation of that plan throughout the war. At the Connaught laboratories new types of preparation were worked out and new techniques were developed. I believe it was among the leading establishments in the world.

The federal government also assisted the Ayerst, McKenna and Harrison, Limited, laboratory at Montreal in the construction of a plant for the production of penicillin at that point.

The third source of production in Canada was by commercial interests without government assistance in the Merck laboratories. The processes were all so new that they all did valuable experimental work in connection with the technical production, but the work done at the Connaught laboratories was outstanding and gave leadership, not only in Canada but in other countries.

The part played by the laboratory of hygiene of the Department of National Health and Welfare was to work out standards by which the efficacy of penicillin might be assayed. One of the functions of the department is to work out standards whereby drugs may be tested so that a physician will know that if he gives a dose of a drug, the drug will be of a standard strength to do the job that a drug of that quantity should do. The department carried out extensive investigations on the assay of penicillin, and the laboratory participated in collaborative studies with those arranged through the health section of the league of nations so that an international standard might be worked out. A Canadian standard has been prepared which is distributed to manufacturers, and their product is tested periodically by the department to ensure its efficiency, just the same way as other drugs are. A second low potency standard has been prepared for distribution to hospitals and clinical laboratories for use in controlling penicillin clarity.

Mr. FLEMING: What expenditures have been made to date by the dominion government in connection with penicillin, as regards both research and manufacture? What proportion of this estimate relates to the production of penicillin or to further research on penicillin?

Mr. CLAXTON: It would be quite impossible to segregate what is expended on penicillin, because that is only part of the work carried on by the laboratory. During the year, tens of thousands of assays are made and separate costs are not kept. There is no reason that we can see why they should be. As to the amount spent by the federal government on the production of penicillin, that would more properly come under the estimates of the Department of Reconstruction and Supply in the war appropriations. The Department of National Health and Welfare did not make any expenditure on production.

Mr. FLEMING: That would be the amount spent to acquire buildings?

Mr. CLAXTON: Yes.

Item agreed to.

National health branch—

207. Immigration medical inspection, $84,905.

Mr. FLEMING: To what extent has the prospect of increased immigration entered into this item?

Mr. CLAXTON: We are having increased immigration this year in the form of wives and dependents of members of the armed forces, and we have had to send several extra officers overseas to do the work of the department in that connection.

Item agreed to.

National health branch—

208. Child and maternal hygiene, $108,709.

Mr. MERRITT: Could the minister explain the publicity item?

Mr. CLAXTON: The amount sought last year was $67,000 and the amount expended was $31,449.15. Of that amount, there was expended on "Canadian Mother and Child," the publication to which hon. members referred, a total of $27,193.16. That publication is issued at the rate of about 8,000 copies a month in both languages through provincial government and local authorities. We intend to produce a film entitled "Mother and Child", and there was spent on research and preparation of the strip a total of $1,315.65. There was a smaller expenditure of $302.76 on a film script. Reprinting of booklets on children, $2,637,58. That totals the amount mentioned of $31,449.15.

The amount sought this year is $68,400 to provide for a continuation of exactly the same programme, with an additional output of "Canadian Mother and Child" and the completion of the film and film script to which I have referred. In addition, there will be a

small poster on the importance of immunization and the distribution of some technical advice to physicians working in the child and maternal hygiene field, if, after consultation, that is considered desirable.

Mr. BLAIR: Will the minister explain the increase of $7,000 in travelling expenses?

Mr. CLAXTON: That is to cover the travelling expenses of the members of the scientific advisory committees who advise the department in this field. They are distinguished doctors who serve without recompense, and we pay their travelling expenses for the one or two meetings that may be held in Ottawa each year.

Mr. KNOWLES: Under this item there is a question I should like to ask which would apply to one or two other items. Perhaps the one answer will suffice. I have in mind child and maternal hygiene, public health engineering, industrial hygiene and possibly some other items. Has there been an extension of the services rendered by the department in this connection? I notice that there is an increase in the amount asked for. That does not worry me unduly. We should watch closely all expenditures, but in this field of health what some of us are mainly interested in the extension of services to the Canadian people. In these three fields has there been any increase in the services rendered and, if so, what has been the nature of that increase?

Mr. MacNICOL: May I suggest that we take the items one at a time. I have been waiting here all evening to speak on one item. If you are going to take three items together I intend to ask my question on one of them.

Mr. KNOWLES: The same answer may cover the three items. If it does not, I can ask it again.

Mr. CLAXTON: There are no changes contemplated in the work carried on under this item. As I explained, provision is being made for an extension of work in much the same way as it has been carried on, and for more complete cooperation with the provinces. It is to provide for two meetings of the advisory council as well as for a wider distribution of the book "Canadian Mother and Child".

Item agreed to.

National health branch—
209. Public health engineering, $138,443.

Mr. MERRITT: I notice that this item is almost three times what it was last year, and I am particularly interested in the amount of $30,000 being provided for publicity and information. I have looked up the report of the department for 1944-45 and I cannot find that any expenditures have been made before on publicity. I find that the duties of the department in that year were in connection with the supervision of public transport facilities, of federal public buildings; sanitary survey of shell-fish areas and the administration of the Public Works Health Act. Most of these duties were in reference to water supply for camps arising out of war purposes. Would the minister give a full explanation why this item is so much increased?

Mr. CLAXTON: The reason for the increase is that part of the functions of the division of public health engineering covered by this item have been met during the last four years out of the war appropriation. That refers particularly, for example, to an increase of $22,000 in transportation and travelling expenses, which up to now were covered by the war appropriation. That has been transferred to the ordinary peace-time estimates. The work includes supervision with regard to certain continuing government activities at places like Deep River, Chalk River, Defence Industry Limited, Eldorado Mining and Refining Company, Pickering and so on. We have also more work this year in connection with the international joint commission with respect to the pollution of boundary waters. The engineers of the two countries are going into that question, particularly regarding the pollution of the great lakes. Then there is sanitation; cooperation with the Department of Veterans Affairs and its wide expansion of hospitals and other facilities, including health and occupational centres. The work of the division will also be increased by our assuming responsibility for the health of Indians and Eskimos, which was transferred on November 1, 1945, to this department. These changes are the reason for the increase.

With regard to the item of $30,000 for publicity and information, the dominion council of health suggested that two films be prepared, one on pure milk and the other on safe water, the first at a cost of $14,000 and the second at $15,000. Then $500 is provided for reprints of booklets on sanitation and $500 for printing "Noise and Vibration Control", a booklet that aims at the elimination of noise in industry and commerce.

Mr. MERRITT: I think there must be some carryover between industrial hygiene and this item, because I understood that the prevention of noise was one of the chief functions of the industrial hygiene branch. I do not quite understand why a film on pure milk should come under public health engineering.

Mr. WINTERS: There is a great lack of uniformity in Canada in the field of industrial hygiene. Is the federal government co-ordinating precautions taken, for instance, against monoxide gas in industrial plants? It seems to me that industrial hygiene is a field for closer coordination with the provinces.

Mr. CLAXTON: We shall come to that item in a moment. In answer to the hon. member for Vancouver-Burrard, who asked why a film on pure milk should come under this division, it must come under either this or some other division in the department, and this seems to be as appropriate as any other. The officers of the division of public health engineering cooperate closely with the officers in the provincial departments, and it is by reason of that association that this particular function is inserted here. The federal government does not have the enforcement of the law regarding pure milk, but we do cooperate with the provinces at their request in providing information and material that would be beyond the scope of any province to provide.

Mr. MERRITT: Where is it contemplated to show that film?

Mr. CLAXTON: It would be shown as a short at commercial theatres and be shown in the sixteen millimeter size on some of the rural film circuits, at farmers' meetings, meetings of women's institutes, meetings of municipal associations, and of voluntary organizations of all kinds. The commercial distribution of films has an estimated potential audience of one and a quarter million a week, and the distribution of films on a non-commercial basis is estimated to have a potential total of two hundred thousand.

Item agreed to.

National health branch—
210. Treatment of sick mariners, $332,065.

Mr. FLEMING: I understand that the fees paid by vessels for this service approximate $200,000 a year, while the item is for $330,000. The scale of fees paid by the vessels was established a long time ago. They existed under part V of the Canada Shipping Act, which goes back to confederation days. Has any thought been given to an upward adjustment of the scale of fees so that they would be equal to the cost of the service provided to mariners on ships entering Canadian ports?

Mr. CLAXTON: The amount collected from the ship owners is based on the tonnage of the vessel. It varies from year to year with the number of ships arriving and with the size of the crews. The expenditures also vary with the incidence of sickness. Over the years I think I can say that the revenue compares favourably with the expenditures.

Mr. MacNICOL: The Navy League of Canada has for years been performing an efficient and useful service in providing medical assistance for sailors, so many of whom are indigents. I am in favour of this vote. I was under the impression that part of this money was used to take care of the medical necessities of indigent sailors. Many of them have no money to pay for medical services. If they all have to pay for services, disease will increase instead of diminish.

Mr. HAZEN: Is there any place where the amounts which are paid by the different shipping companies are shown?

Mr. CLAXTON: The public accounts.

Mr. HAZEN: As to the item of professional and special services, what would come under the heading of "special services"?

Mr. CLAXTON: Sick mariners are treated and hospitalized at departmental hospitals where there are departmental hospitals adequate to take care of them, but that is only the case in a very limited number of localities. To a large degree sick mariners requiring hospitalization are hospitalized in general hospitals, to which the department pays a per diem rate. Similarly with regard to professional services, where the department has a doctor of its own, as it has in Halifax, Saint John, Sydney, Quebec, Montreal, Vancouver, and Victoria, he does the work. But where there is too much work to be done by the departmental doctor, or where there is no departmental doctor, an outside doctor is hired on a fee basis and he performs the work.

Item agreed to.

National health branch—
211. Industrial hygiene, $103,151.

Mr. CLAXTON: This is where I should reply to the question asked by the hon. member for Queens-Lunenburg. This division has cooperated closely with the provinces and with war industry during the war to secure the enforcement of the conditions in the munitions contracts regarding working conditions. It has succeeded in ensuring a greater degree of standardization of practice than before. Primarily this matter does fall, of course, within the jurisdiction of the provinces, and the department through this division has worked with the provinces and also with those holding contracts with the federal government. Here again there is a continuance of expenditure from the war appropriation to the ordinary peace-time vote.

Mr. MERRITT: The temporary assistance under that vote is up seven times over last year, and there is an item of $21,000 for publicity and information. Would the minister explain those two items?

Mr. CLAXTON: The item for temporary assistance is up $30,000. It involves two medical specialists at $5,100, or $10,200; one medical officer, grade 4, $3,540; two supervising nurses, one at $1,830 and one at $1,740, or $3,570; chemist, $2,820; and nine other employees, to bring the total to $36,135. That staff is largely staff which has been paid for out of the war appropriation, and it is made up as I have said. With regard to the item for publicity and information, there was an expenditure of $26.01 in preparing six posters which are partly prepared; and also on a booklet on carbon monoxide, $40. The estimate of $21,000 for 1946-47 would cover the completion of the posters, $16,000, and booklets, $5,000, on lead poisoning, dermatitis, manganese poisoning, chromium poisoning, care in the use of materials like chlorine, formaldehyde, et cetera. I should add that there is a monthly bulletin issued by this division, but it entails no expense except mimeographing and mailing.

Mr. MERRITT: The item is up even though war industries have largely been discontinued, I take it, and also even though on December 15 last, in the discussion on his estimates, reported in *Hansard*, page 3597, the minister said when discussing this item:

> To a great extent the industrial hygiene division of the department has to do with the improvement of standards of health in war industries, in consequence of actual contractual obligations they incurred with the federal government to do such work.

Further down:

> We hope that in consequence of this work, the work will be continued under provincial auspices. It is our desire to keep a small division operating, to cooperate with the provinces, but not nearly to the same extent as was done during the war.

Also during his remarks the minister said that in certain cases, particularly in British Columbia, the staff of the department had already been transferred to the provinces. It would seem that there must have been a change of policy between last December and now, because this department is not being handed over to the provinces. Is that the case?

Mr. CLAXTON: What I said when the matter was up last session about the changeover with regard to British Columbia was correct. But the actual requests for assistance made on the department with regard to carbon monoxide tests, and the investigation of a number of things which I can hardly pronounce, have increased, and the work of the department has been carried on on about the same basis as before.

Mr. HAZEN: From whom do requests come for this work?

Mr. CLAXTON: From various agencies of the federal government, from the provincial governments and from industry itself.

Mr. MacINNIS: I am sorry that I was not in the chamber during the whole of the discussion of this item. But I do not think we should criticize the department for having a substantial amount for industrial hygiene, because it is an important matter. I am not sure just how much study has been made of industrial hygiene and what is done in our various plants to protect the health of the workers. I was greatly amazed some little while ago, in reading an important publication by a pioneer woman doctor in the United States who had done a lot of work in this field, to find that most of the European industrial countries, particularly Great Britain, France and Germany, before the war, were far ahead of the United States and Canada in the conditions provided and the safeguards they had put in effect. Before we criticize the government's programme or urge a smaller item, we should be fairly sure that what the provinces are doing is sufficient to meet the requirements of industrial life.

Mr. WINTERS: Just before this item is passed, I wish to say that I entirely agree with what the hon. member for Vancouver East has just said. I have had a small amount of experience in this field, and I know it is the most difficult thing in the world to lay down a programme on a national basis when each province has a different set of standards of industrial hygiene. For example, there is no standard laid down with regard to disposal of carbon monoxide fumes in motor transport garages, or to deal with disposal of sawdust and so on. If you try to find any information on standards with respect to washroom facilities, for instance, there is nothing in Canada that I know of that covers the whole field. You have to turn to standards set up on an arbitrary basis by a New York architectural association or similar institution. I realize that this is a function of the provinces, but I can think of no better programme in which the federal government could take part, with a view to coordinating the effort on the part of the provinces as a whole. This seems to me to

be a field that is wide open and one in which more should be done, so that any money spent in this direction is all to the good.

Mr. MacNICOL: The two hon. gentlemen who have last spoken have touched on an important subject. If it were not for the lateness of the hour I should like to elaborate upon it. The large industrial plants themselves do what they can to protect the health of their employees, and so they should. When they consult an architect to draw up plans they ask him to lay out the plant with a view to conserving the health of the employees. I believe I have asked in previous years what the department does to assist in this matter. They certainly cannot interfere in the provinces, because health is a matter that is under provincial control, but this parliament and the government could assist through the medium of the provinces and the provinces could in this way assist industrial institutions. It is important that every possible safeguard should be provided in plants, large and small, to preserve and conserve the health of all workers. I should like to hear from the minister how the department assists, through the provinces down to the plants, or through the architectural association.

Mr. CLAXTON: The department does work closely with the provincial authorities. The specialized facilities provided by the division of industrial hygiene were utilized for its own investigations and by provincial health and labour departments, workmen's compensation boards, private factories, labour groups and other agencies concerned with the problem of health in relation to occupation. To meet its own responsibilities, and to assist and cooperate with provincial authorities in setting up their own industrial hygiene services, the department trained and lent to each of the provincial departments of health in Nova Scotia, Manitoba, Saskatchewan and to the workmen's compensation board in British Columbia, a competent industrial hygiene chemist. By December, 1945, the provincial authorities in Manitoba and British Columbia had completed their own industrial hygiene divisions and assumed full administrative and financial responsibility for these. However, they ask that this department supply technical and consultant assistance as and when certain complex problems might arise. We still have industrial hygiene chemists in Nova Scotia and Saskatchewan and, later in the year, it is proposed to lend another to the department of health of Alberta to assist in a survey of occupational health hazards in the industries of that province.

In this field of activity there has been an enormous increase in interest since the outbreak of the war, owing partly to the fact that the federal government required it of industry which was doing war work, but also to the interest on the part of industry itself and of all workers, working together to improve industrial standards. Further, during the war a number of processes were developed including those using solvents, acetone paints and so on, to which new industrial hazards were attached. In all these fields we did what we could during the war, but it has been found that the interest and the need for the work have since continued. It is carried on in close cooperation with the provinces. With regard to carbon monoxide poisoning and some conditions in connection with mining, work is done in other branches of the government, but very largely by the provinces themselves. I hope I have indicated to the hon. member for Davenport and others who have supported the vote that it has been done in the sensible way, namely, in cooperation with the provinces and with industry, and that it is useful work.

Mr. MacNICOL: On a former occasion one of the answers which the minister gave was that part of the vote was to take care of the health of the workers in industrial war plants operated under the government. I believe also that something was said about preserving the health of the northwest territories. That would be purely under his department.

Mr. CLAXTON: This vote is limited to matters connected with industry.

Mr. MacNICOL: I know, but what about the mines? Do they not come under this? There is no government up there.

Item agreed to.

National health branch—

212. Civil service health division (including medical investigation division), $180,078.

Mr. MERRITT: There is a publicity item there.

Mr. CLAXTON: There was an expenditure of $230 in 1945-46 on the preparation of a booklet giving information to civil servants regarding services that will be furnished to them when this service is established.

Mr. FLEMING: I thought the service was established last year?

Mr. CLAXTON: It was announced in May, 1945. Since then, it has been acquiring staff and rendering partial but not full service such as will be given as soon as we can get doctors, staffs and space necessary to give a full service. The estimate here for publicity is designed to cover health education work in connection with the civil service either through films, lectures, pamphlets or posters.

That is considered to be an important part of the service when we have it established. The service will include examination and educational work, emergency care and so on.

Mr. FLEMING: The minister has not yet given a breakdown of the total expenditure last year, unless that item of $230 was the only expenditure out of $25,000 appropriated.

Mr. CLAXTON: Yes.

Mr. FLEMING: Nor has he given a breakdown of the projected expenditures of $18,000 this year.

Mr. CLAXTON: We have not a breakdown for the $18,000. That is the estimate arrived at to cover items I mentioned, such as pamphlets, booklet, posters and so on.

Mr. FLEMING: I think the item had better stand.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE: On Monday we shall take up the two bills standing in the name of the Minister of Reconstruction, one dealing with the national research council and the other with atomic energy.

Mr. FLEMING: In that order?

Mr. MACKENZIE: Not necessarily. I am not sure of the order. We might ask for two new departments in supply, and if we get into supply for purposes of discussion we shall take justice, national defence and public works.

Mr. CRUICKSHANK: May I ask the leader of the house if we shall sit Monday night?

Mr. MACKENZIE: Yes.

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

END OF VOLUME II